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Agriculture



Research,  
Education, and  
Economics

Small Farms  
Coordination

# Making A Difference for America's Small Farmers and Ranchers in the 21<sup>st</sup> Century

Meeting the Challenge of  
*A Time to Act*



Small Farms@USDA  
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This report, *Making A Difference for America's Small Farmers and Ranchers in the 21<sup>st</sup> Century*, was prepared by the USDA Small Farms Coordinators. The report provides highlights of the continuing efforts made by USDA to assist the Nation's small farmers, ranchers, and farm workers since the USDA National Commission on Small Farms published its report, *A Time to Act*, in January 1998. This report reflects accomplishments made by USDA for small farms from October 2001 through December 2003.



# **Making a Difference for America's Small Farmers and Ranchers in the 21<sup>st</sup> Century**

## **Accomplishments through December 2003**

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## Introduction



This report, *Making A Difference for America's Small Farmers and Ranchers in the 21<sup>st</sup> Century*, highlights the progress and achievements by the U.S. Department of Agriculture in its continuing efforts to enhance the reliability and economic livelihood of small farmers and ranchers across America. It also highlights the major achievements and continuing actions taken by USDA in response to the 8-policy goals and 146 recommendations included in the Commission's report, *A Time to*

*Act*, published in January 1998 (see Appendix 3 of this report for a summary of the number of recommendations implemented by USDA).

The report was prepared by a Department-wide group of Small Farms coordinators, representing each mission area; individual agencies; the Offices of Outreach, Civil Rights, Budget and Program Analysis, Communications, Chief Economist, and the General Counsel.

The USDA Small Farms Coordinators published its first progress and achievements report, *Meeting the Challenge of a Time to Act: USDA Progress and Achievements on Small Farms*, in April 2000. The report highlighted USDA's progress and achievements on issues related to small farms and ranches for the period, February 1998 to December 1999. The second report primarily covered the time period, January 2000 through September 2001. This report primarily covers the time period, October 2001 through December 2003, and is available only on the USDA Small Farms web site. The web site address is [www.usda.gov/oce/smallfarm](http://www.usda.gov/oce/smallfarm).

It is anticipated that a fourth report will be issued in the near future to highlight progress and achievements since 2003.

USDA's progress and achievements in the area of small farms are divided into the following program areas which are the same areas listed in the last report.

### Program Areas

- |                        |  |
|------------------------|--|
| I. Outreach            | VII. Research and Extension            |
| II. Market Development | VIII. Beginning Farmers                |
| III. Market Access     | IX. Farm Workers                       |
| IV. Risk Management    | X. Civil Rights                        |
| V. Conservation        | XI. Additional Small Farms Initiatives |
| VI. Credit and Finance | XII. Appendixes                        |



## I. Outreach



**Commission Recommendations:** The Commission remarked on a lack of focused attention on small farms and an attitude of indifference toward the needs of small farmers and ranchers.

The Commission determined that the establishment and continued support of farmer support networks, mentoring programs, and apprenticeship programs are critical for small farm and ranch operators to exchange information with one another.

Recommendations included the establishment of an administrator for small farms to provide a dedicated focus for small farm issues within USDA and intensified and targeted outreach, particularly to minority farmers and ranchers.

### AGENCY HIGHLIGHTS

Since October 2001, agencies continue to reach out collaboratively to small, limited-resource, and minority farmers and ranchers, as well as to local communities, to ensure a better understanding of the programs and services that USDA offers. Such outreach efforts have enabled agencies to obtain a better understanding of the needs of our diverse customers, and will help them target programs and services to meet specific customer needs.

#### Agricultural Marketing Service (AMS)

■ AMS staff delivered presentations about available marketing resources and technical assistance for small-scale, limited-resource and minority farmers at the following conferences/meetings:

- The National Nutrition Education Conference, which was held in February 2003 in Washington, D.C.
- The North American Farm Direct Marketing Association's (NAFDMA) annual conference, which was held in February 2003 in Charlotte, North Carolina.
- "Opening Doors, Bridging Gaps—Minority Farmers Developing Leadership for the 21<sup>st</sup> Century," Vicksburg, Mississippi, that was held in February 2003.
- The Mississippi Small Farms and Marketing Conference that was held in March 2003 in Jackson, Mississippi.



- The meeting between AMS and 1890 land-grant institutions to discuss potential collaborative role in helping minority farmers which was held in July 2003 in Atlanta, Georgia.
- The Migrant Education Program sponsored by the USDA Small Farm Coordination Committee, which was held in August 2002 in Washington, D.C.
- The Supermarket of Ideas Conference, which was held in November 2002 in Norman, Oklahoma.

Additionally,

- In February 2003, AMS met with American Samoa government officials to discuss development of a new farmers market in the Fagatogo Territory of American Samoa. The American Samoa government has developed a comprehensive set of building plans for market construction, which were submitted for review. Staff discussed the design work that had been completed and shared experiences from similar projects completed in other urban communities.
- During 2003, a representative from AMS served as a member of the interagency USDA advisory board that provided assistance to marketing training activities of more than 300 Resource, Conservation, and Development (RC&D) Councils nationwide. As part of this interagency effort, AMS staff presented and disseminated information on AMS marketing and technical assistance resources to several hundred attendees at the national RC&D conference that was held in San Antonio, Texas, in July 2003.
- In September 2003, AMS initiated a cooperative research agreement with the Mississippi Department of Agriculture and Mississippi State University to survey local growers about their interest in participating in a new farmers market in downtown Jackson, MS, and develop appropriate training activities that would help support the transition of local farm producers into direct farm marketing.
- In the fall of 2002 and the winter of 2003, AMS presented information on AMS marketing and technical assistance resources at several Farm Bill listening sessions held throughout the country for small-scale and limited-resource farmers. AMS staff participated in sessions held in Georgia, Mississippi, and Virginia.
- In October 2002, AMS staff spoke at two panel discussions offered at the National Association of Farmers Market Nutrition Programs Conference, which was held in Washington, D.C. AMS staff joined representatives from national, State and local organizations in discussions on “Partnerships That Work” and “Small Farm Initiatives.”

AMS also participated in the Small Farm Seminar for Hispanic Farmers that was held in May 2002 in Homestead, Florida. This workshop provided to Hispanic farmers information about various USDA programs and services, how to gain access to these programs and services, and how these programs and services can help to improve their farm and ranch operations.

- In July 2001, AMS staff worked with USDA’s Office of Outreach, other Departmental agencies, Alcorn State University, Fort Valley State University, Southern University and A&M



College, and Tuskegee University to organize and participate in the Natural Resources and Agricultural Workshop held July 11-13, 2001, in Perry, Georgia. This workshop focused upon community-based approaches and new technologies for small and limited resource farmers and farm workers, producers, and woodlot owners in the southeastern states. Workshop highlights included question and answer sessions with agency representatives, tours of successful demonstration projects, and visits to USDA research facilities.

AMS staff also attended the Seventh Annual National Forum on Agriculture Education in Urban Schools, September 26-28, 2001, in Miami, Florida. This forum featured educational sessions and presentations to students about agriculture. Highlights included presentations by the Colleges of Agricultural Sciences from the University of Florida and Florida A&M University and tours of Miami-Dade County agricultural area.

### **Animal and Plant Health Inspection Service (APHIS)**

As part of the USDA's Marketing and Regulatory Programs budget crosscut, APHIS accounts for the actual dollars and percentage of individual line-item programs that impact small farms, including emergency programs. This initiative began in FY 1999 and allows the Agency to accurately identify funds devoted to activities that directly benefit small farms. APHIS delivers service in two primary fashions, either through compensation payments to farmers or through delivery of technical support. The amount of APHIS' budget that directly impacted small farmers and ranchers was in excess of \$373 million in FY 2002 and over \$510 million in FY 2003. This represents approximately 48 percent of the FY 2002 budget and 44 percent of the FY 2003 budget.

■ Exotic Newcastle disease (END) is an example of APHIS' commitment to support small farmers. END was first confirmed in backyard poultry in southern California in October 2002 and in commercial poultry in December 2002. It was later identified in Nevada and Arizona in January and February 2003, respectively.

In April of 2003, the disease was also diagnosed in Texas. APHIS worked cooperatively with the states of California, Nevada, Arizona, and Texas to prevent the spread of the disease. The Agency sent teams of veterinarians and other personnel to the states and worked closely with the Hispanic population by providing brochures and information in Spanish, as well as broadcasting on Spanish speaking radio stations to ensure that the small backyard poultry owners were informed about APHIS' actions, which included identifying infected flocks, imposing quarantines, euthanizing and disposing of birds, when appropriate, and cleaning and disinfecting infected sites.

In FY 2003, APHIS spent \$175 million on END, of which 15 percent was directed toward small poultry farmers.

■ APHIS' Wildlife Services' (WS) Methods Development program devotes the majority of its funding efforts to small farmers and ranchers. WS's National Wildlife Research Center (NWRC) is the only Federal research facility devoted exclusively to resolving conflicts between people and wildlife through the development of effective, selective, and acceptable methods, tools, and techniques.



The NWRC field station that is located in Bismarck, North Dakota, is ideally located to study methods for managing blackbird damage to sunflower farmers in the northern Great Plains. The majority of the sunflower production in North Dakota occurs on small farms. In FY 2003, 77 percent of the Wildlife Services' Methods Development budget went for supporting small farmers and ranchers, totaling \$11.5 million.

### **Cooperative State Research, Education, and Extension Service (CSREES)**

#### **■ The CSREES Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Competitive Grant Program (2501 Grant Program) Benefits Small Producers:**

The 2501 Grant Program provides funds to organizations to deliver outreach and technical assistance, provide opportunities for socially disadvantaged farmers and ranchers to successfully acquire, own, operate, and retain farms and ranches and assure their equitable participation in the full range of USDA programs. In 2003, funding for the 2501 Grant Program was \$6 million. Funding helped support a wide range of outreach and assistance activities in farm management, financial management, marketing, application and bidding procedures, and in other areas. Some examples of how diverse small farmers benefit from the 2501 Grant Program are as follows:

- A 2003 grant to the University of California will offer education on business management, farm production practices, and the full range of USDA programs to Asian, Hispanic, Native American, and African-American farmers in California to help their farms and ranches prosper. With 6,560 minority farmers and 10,340 farms operated by women, the state has the largest concentration of socially disadvantaged farm operators in the United States.
- A 2003 grant to Tuskegee University is allowing their outreach and technical assistance efforts which now serve Black farmers in their state to include other socially disadvantaged and minority farmers and family members, specifically Native American and Hispanic/Latino families. The outreach program provides information on loan application and farmers' programs to farmers so they can apply for and acquire farm ownership, farm operating, equipment, housing and youth loans, as well as enhanced business management and marketing skills to help their farm enterprises.
- In Georgia, a 2003 grant to the Federation of Southern Cooperative's Georgia State Office will assist 325 minority farmers strengthen their farm operations and retain their farmland in 18 southern Georgia counties by providing training in farm management, cooperative marketing, alternative crops and methods, and value-added enterprises. A fresh produce packing and processing facility and marketing program will be launched to support these farmers' efforts.
- A 2003 grant to the Oglala Lakota College in South Dakota will fund outreach, technical assistance, and educational programs targeted for farmers and ranchers on the Pine Ridge Indian Reservation, one of the most isolated and poverty-stricken areas in America, so they can successfully acquire, own, operate, and retain farms and ranches. Oglala Lakota College staff will help producers with small-scale use of their land for food and small businesses, help bison producers and horse breeders operate more successful operations, and acquaint producers with the full range of USDA programs available to help their enterprises.



## Farm Service Agency (FSA)

### ALABAMA

■ **Conservation Programs:** African-American producer, Billy Gibbons, of Autauga County, fully participates in FSA programs. Mr. Gibbons raises cattle on approximately 350 acres, 80 of which he owns thanks to an FSA direct operating loan. Of the 350 acres, 250 are devoted to the cattle operation (with a mixture of pasture, hay, and corn plantings) and 100 acres is a diverse vegetable farm. The land has been improved through participation in the Natural Resources Conservation Service's (NRCS) Environmental Quality Indemnity Program and the installation of a well with the help of FSA's Emergency Conservation Program (ECP). He is seeking a loan to install additional fencing. On 100 acres, Mr. Gibbons plants peas, various varieties of squash, beans, okra, turnips, tomatoes, and watermelon. All of his crops are covered in the event of a disaster by FSA's Non-insured Crop Disaster Assistance Program.

### CALIFORNIA

■ **Citrus Grower:** In 1995, Rose Ann Gutierrez relocated her family to Woodlake, California, to help with her grandmother's citrus grove. Little did Rose Ann know 4 years later she would be managing and farming the grove on her own. With financial help from FSA, Rose Ann is keeping alive the memory of Chinina M. Garland, her grandmother, by reestablishing the once failing grove.

Rose Ann's search for a lender who believed in her dream led her to the FSA office in Visalia, which provided an operating loan in June 2000. "Mrs. Gutierrez is a wonderful, cooperative borrower," said Lisa M. Butler, Farm Loan Officer. "She has maintained her dream of keeping her grandmother's citrus grove alive."

Rose Ann faced many challenges with the 37-acre grove. As her grandmother became older, management and financial care were somewhat overlooked. Also, as with many other citrus growers, the 1998 freeze caused large setbacks for crop production. But, things have now been improving steadily since Rose Ann stepped in. With a little help from FSA and by making necessary cutbacks, the grove is becoming healthy and productive once more.

Since the freeze, Rose Ann has developed a little over 7 acres. She replanted varieties of oranges that are in high demand while keeping in mind the future inflows the operation may receive.

One of Rose Ann's most important decisions was to go organic; the grove will be certified this year. This process required patience, farming practice changes, and lots of cooperation from lenders, family members, and everyone who deals with the operation. Rose Ann hopes the certification will help her products reach international consumers.

Rose Ann, her husband, and three teenage sons are accountable for the grove's finances, management decisions, and daily labor. She said, "Without all my family's hard work, I don't know what I'd do." The Gutierrez family is making the grove profitable and giving their farm bright hope for the future.



## CONNECTICUT

■ **Youth Loan:** There are not many 16-year old girls in Connecticut who assist in the birthing process of lambs, which makes Rachael Gately no ordinary teenager. Starting with three ewes and two ewe lambs in 1998, she has tripled her flock every year. She shows her sheep at fairs throughout New England and uses proceeds from her winnings and FSA youth loan to purchase supplies and grow her operation.

## INDIANA

■ **Beginning Farmer:** A former youth loan borrower, Kurt Theurer (21 years old), paid off several youth loans and recently purchased two 80-acre tracts owned by an aunt using a loan from FSA's beginning farmer farm ownership loan program. Both tracts are being used for grain production and he's considering expanding into livestock production.

## MASSACHUSETTS

■ **The Horse Next Door:** Massachusetts horse owners are teaming up with FSA, Patriot Resource Conservation and Development (RC&D) Council, and others to bring a new effort to bear on a long standing natural resource issue affecting the environment, the management of manure.

Management of horse waste (urine, manure, and used bedding) must be considered before owning a horse. This principle is central to the new effort and the new organization, the Horse Manure Management Initiative (HMMI), which Patriot RC&D is sponsoring.

The HMMI through its efforts will demonstrate improved surface and groundwater quality in Essex, Middlesex, Norfolk, and Suffolk Counties, with other locations to follow as sponsorship and participation grow.

The HMMI was created by representatives from the horse community; FSA; USDA NRCS; the Massachusetts Farm Bureau Federation; the Massachusetts Association of Stable Owners, Operators, and Instructors; and others to identify horse owners' concerns and address them through education, outreach, and public policy.

An educational brochure titled "The Horse Next Door" has been published. Publication of the Massachusetts Horse Owner's Directory, a new resource guide/directory of services for horse owners is scheduled for July 31<sup>st</sup>, and production of "The Horse Next Door," a video highlighting good horse keeping practices, is scheduled for September 2004.

## MICHIGAN

■ **Farm Loan Programs:** Armando Arrellano, a Mexican immigrant, was approved for an FSA direct ownership loan to purchase a 60-acre fruit farm in Covert, Michigan. The family produces blueberries, concord grapes, apples, peaches, pears, plums, and assorted vegetables.



## MINNESOTA

■ **Hmong Farmer:** On June 20, 2003, Youa Yang and brothers Vang and Ninzong finalized the purchase of a 116-acre farm in southern Dakota County. Vang and wife Va, along with Ninzong and wife, Sia Vue, purchased 58 acres of the farm and Youa purchased the remaining 58 acres. FSA Farm Loan Manager Gregg Bongard, the originator of the loan, stated that this loan is one of the few used by a Minnesota Hmong family in the purchase of a farm. Jack Gerten, Director of the St. Paul Farmers Market, estimates that there are 150 plus Hmong farmers in the State, 60 of which, including the Yangs, participate in the St. Paul Farmers' Market. Very few Hmongs own land on which they produce their crops.

Land purchase costs are major reasons why the overwhelming majority of Hmong farmers in Minnesota do not own cropland. Cropland prices within a 50-mile radius of the Metro range from \$3,000 to \$5,000 per acre. Hmong farmers traditionally operate small farms with few mechanical tools. Nigatu Tadesse, FSA outreach coordinator and former University of Minnesota Extension Service New Immigrant Farm Program Director, said "there is a growing interest among the Hmong vegetable growers to purchase farms to attain the American dream." In his current position as outreach coordinator, Tadesse states that landowners with land close to the Twin Cities need to make known any availability of land for sale.

The Yangs will use their farm to raise 35 crops ranging from oriental greens to watermelons and cut flowers. In addition, they plan to fatten steers, raise goats, Boston pigs, along with ducks and chickens. The labor source for the Yang farm, like most Hmong farms, are their children ages 7 to 14 years old. The children also help their parents in the sale of the produce at the farmers' market.

FSA is committed to assisting Hmong and new immigrant farmers in meeting their individual goals through various programs including the farm loan programs. FSA can make and guarantee loans to socially disadvantaged applicants to buy and operate family-sized farms. Funds specifically for these loans are reserved each year. The programs also provide information and assistance to applicants to help them develop sound management practices, analyze problems, and plan the best use of available resources essential for farming.

Types of available loans include both farm operating and farm ownership. Guaranteed loans may be made for farm ownership or farm operating purposes and may be made by any lending institution subject to Federal or State regulations. Farm ownership loans may be used to purchase or enlarge farms, improve buildings, promote soil and water conservation, and pay closing costs.

Farmers eligible for FSA loans include those who have a satisfactory history of meeting credit obligations, are citizens of the United States (or are a legal resident alien), and are unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs and possess the legal capacity to incur loan obligations.



## MONTANA

■ **Financial Assistance:** Robert Wellman is the second generation to benefit from the FSA Farm Loan Program and succeed. Robert and his wife Joan began their association with FSA more than 20 years ago when they received funding through the Emergency Loan Program.

At that time Robert and Joan were operating land owned by Robert's mother. When drought struck the northern border of Montana, the Wellmans found they were unable to receive credit from a commercial source to continue operation through the disaster. However, they did not stop there. Robert and Joan proceeded to obtain a direct operating loan from FSA to buy 200 head of cattle. Within 10 years, the Wellmans were able to pay back the loan and graduate from the FSA loan program.

According to Robert, "FSA did us a favor, we didn't want to graduate, but I paid the 30 year loan off in 10 years, they wouldn't let us stay...I was able to graduate to a commercial source that I have been with ever since."

Today, the Wellmans run approximately 1,500 head of cattle and farm 20,000 acres near the Canadian border in Montana.

## NEW JERSEY

■ **Flower Business:** Young Lee and Dae Hyun Lee have been in the flower business for 20 years. Twelve years ago they decided to grow their own flowers to market in their shop. They moved to New Jersey and purchased land to grow sunflowers, cockscomb, asters, and dahlias for marketing in New York City. In 2001, they expanded their operation with help from FSA. The couple needed FSA's help to purchase the neighboring blueberry farm. In 2002, they expanded again adding 270 more acres of blueberries and 50 acres of cranberries, using the combination of an FSA direct ownership loan, guaranteed operating loan, and commercial financing.

## NEW YORK

■ **FSA State Committee Member:** Oscar Vizcarra, FSA State committee member and a native Peruvian, is co-owner and operator of Becker Farms in Gasport, New York. He and his wife direct-market their apples, berries, and assorted vegetables at a road-side stand. Vizcarra traveled to New York City, along with a group of local farmers, to discuss production agriculture with immigrants participating in the city's New Farmer Development Program.

Most participants are Hispanic/Latin American immigrants who had fairly large farming and ranching operations in their native countries and now find themselves starting over with limited English skills and capital.

## NORTH DAKOTA

■ **Farm Loan Programs:** Born and raised near the agricultural community of Colima, Mexico, Joaquin came to the United States as an assistant to a beekeeper in Louisiana. He



worked there for a number of years before deciding to try his own hand at beekeeping in North Dakota.

Joaquin received an FSA operating loan to establish his beekeeping venture. But setbacks and complications plagued his business for the first few years. During that time, Joaquin rented vacant farmsteads to store and process his honey, but this forced him to move his operation from time to time. However, he never gave up on or lost sight of his goal. After receiving an FSA farm ownership loan, Joaquin built a new 60' x 150' facility.

“With the help of direct loan assistance from FSA,” said Joaquin, “I have been able to establish a permanent honey processing facility that is allowing me to increase my production, expand my operation, and hire additional employees.”

Joaquin is proud of becoming an American citizen and appreciative of the chance to prosper by developing and operating an apiary. He is also thankful for the opportunity to provide a rural lifestyle for his family on the North Dakota prairie.

## PENNSYLVANIA

■ **Milk Income Loss Contract Program (MILC):** FSA personnel in Lancaster County, a county known for its Amish and Mennonite communities, are seeking to increase FSA’s program participation by members of this underserved population. Historically, the Amish and Mennonites in the area did not participate in FSA commodity, production adjustment, or price support programs (although some Amish did avail themselves of the various farm loan and conservation cost-share programs). However, through extensive outreach efforts, program participation in the Amish and Mennonite communities rose from zero to 513 participants in MILC. These 513 participants represent 58 percent of the dairy farmers in the county who signed MILC program contracts for payment (879 total participants).

## PUERTO RICO

■ **FSA Programs:** Mr. Glidden Martinez, 64 years old, of Utuado, Puerto Rico, has been farming 140 acres of plantains for 35 years. He operates a family farm with his two sons and mother-in-law. The Martinez family also operates a 24,000 capacity broiler house that is in production all year. “If it wasn’t for FSA, I would have gone out of business a long time ago,” he said. Mr. Martinez participated in both the FSA Emergency Loan and Crop Disaster Assistance Programs in 2000 after Hurricane George devastated the island.

## SOUTH DAKOTA

■ **Financial Assistance Needed:** Sonny, a Native American rancher in South Dakota, came to FSA in need of financing. At the time, a bank was about to foreclose on his operation. Times were tough and the previous spring weather got the best of him with late blizzards which caused a high livestock death loss. When Sonny contacted FSA, he had 25 cows, 14 replacement heifers, and 12 calves. He was trying to make ends meet by taking in some pasture cattle.



Working with an FSA farm loan manager, Sonny learned how his business could operate more efficiently. Goals were set and a road map was devised. Sonny applied for and received a direct operating loan from FSA.

Five years later, Sonny's operation had grown to 116 cows, 5 bulls, and 17 yearlings. Sonny calves his cows late March to early April, and markets calves in late October weaning off 525 - 600-pound calves.

Sonny is thankful for FSA's helping hand. "Honesty, pride, hard work, and working with FSA's loan officer contributed to my success," he said. FSA has given this determined producer the opportunity and tools he needs to build a profitable, growing, and successful ranch.

## TEXAS

■ **FSA Casts Financial "Safety Net" under Texas Shrimpers:** When Texas shrimpers were declared eligible for the Trade Adjustment Assistance (TAA) Program, FSA suddenly gained a new clientele...a closely-knit community who knew little about FSA and who had only 90 days to learn how to apply for assistance from the Federal government.

Thanks to the help of dedicated members of Texas' coastal Vietnamese communities, FSA has made great strides in spreading the word about the potential benefits offered through TAA to shrimpers whose fishing income has declined in recent years to foreign competition.

USDA, through TAA, provides technical assistance and financial benefits to producers if an increase in imports of a commodity has contributed significantly to a decline in market price resulting in a decline in incomes. Such is the case with the Texas shrimp industry.

Through her office window in Palacios, Thuy Vu, owner of a wholesale/retail seafood market and several shrimping vessels, and Matagorda FSA County Executive Director Tom Brown, can see signs of an industry enduring difficult times. "There are shrimp boats that have been docked for months because of high fuel costs and low market prices," Brown says. Brown estimates each boat requires some 2,500 gallons of fuel for a 10-15 day trip with no guarantee of a profitable haul. It is a dilemma that has plagued not only the boat owners, but the crew members relying on shrimping for their livelihood.

Vu is one of the rare individuals in the community who actually knows about FSA. In addition to their shrimping interests, she and her husband have a redfish operation funded with an FSA guaranteed loan. Her knowledge of FSA, coupled with her high standing in the Vietnamese community, along with a willingness to serve as an interpreter, have proven invaluable in reaching out to potential recipients of TAA benefits.

At a meeting hosted by FSA specifically for the Vietnamese fishing community, Vu collaborated with Brown to provide a thorough overview of FSA, the TAA program, and the TAA application process. Many of the 200-plus participants did not speak English. Vu, along with Charles Chan, served as interpreters throughout the meeting and assisted individuals with their questions and concerns.



“It was a productive, working meeting,” says Brown. “We worked well into the evening hours to ensure that each applicant’s information was complete and that we had all of the documentation we needed before we concluded the meeting.”

Brown added, “Thuy did her homework before the meeting, making sure that her fellow shrimp producers arrived prepared. She had encouraged them to gather their tax, production, and sales records prior to attending this meeting. Her efforts allowed FSA to efficiently complete the application process for many of the shrimpers who attended the meeting.”

Earlier in the day, Brown hosted a general meeting attended by another 124 shrimpers and interested individuals to discuss the TAA program. In total, Brown met with more than 300 producers. Texas’ Agricultural Extension Service estimates that, in Texas alone, as many as 2,500 TAA shrimp applications were submitted by the February 9, 2004, filing deadline.

FSA has scheduled numerous formal public meetings along the Texas Gulf Coast, and has made significant efforts to overcome language and cultural barriers with both the Vietnamese and Spanish-speaking shrimping communities, providing voice interpreters at meetings and non-legal written information translated, as needed, into these languages.

In terms of dollars allocated, TAA is by no means the largest Federal farm program administered by FSA, but according to Brown, “TAA has created a presence for FSA in communities that do not typically participate in Federal farm programs. We’ve opened the door to future opportunities to provide our services to individuals in the aquaculture industry.”

## UTAH

■ **Small Farmers:** Two years ago Jeremy Johnson and his sister Kira Ann Johnson, from San Juan County, Utah, came to FSA seeking loans. Jeremy wanted to purchase crop land and Kira was interested in buying pasture land and cattle. They have both farmed and ranched with their father, Johnny Johnson, since they were old enough to sit in the tractor and see out the window.

Now in their twenties, they have decided to follow in their father’s footsteps. Jeremy and Kira received the loans and have been successful in their farming operations. They came back to FSA this year looking to purchase additional real estate.

Kira has 50 cows and 3 bulls. She reports that they are doing very well and most of them are young enough to be able to stay in the herd for some time before being replaced. She hopes to build her herd from her own replacements (or purchase them from her father).

Jeremy is raising wheat and safflower on his land, and he leases additional land from a neighbor.

Both Kira and Jeremy have lived in Monticello, Utah, all of their lives. Their older sister Seresa is also a farmer, and she, too, has a loan with FSA. Farming is truly a family business for the Johnsons who credit FSA for helping them succeed.



## WASHINGTON

■ **Farm Loan Programs:** Luanne and her husband Chuck, members of the Confederate Tribe of the Colvilles in Washington, dreamed of owning a cow/calf operation. “A bank was not an option because we would not be able to cash-flow on the property for four or five years,” Luanne said. After obtaining FSA farm operating and ownership loans, the couple built a uniform herd, focusing on Angus bulls. FSA was willing to lend the couple money at a time when other lending institutions looked the other way. The couple now manages a thriving 135-head cow/calf operation.

## WEST VIRGINIA

■ **Mountain RC&D Council:** Fred Williams, FSA County Executive Director (CED) for Nicholas and Webster Counties in West Virginia, has been a CED for over 30 years. For over half of this gentlemen’s career, Williams has taken an active role with the Mountain RC&D Council.

Mr. Williams has served the Mountain RC&D Council as Chair to the Executive Committee and Forestry Committee, and currently serves as Chair of the Forestry Committee. His activities and interests with RC&D have been continuous and his relationship with the RC&D Council members, NRCS, and Conservation District has been outstanding.

In 1991, Mr. Williams was awarded a plaque in recognition of the Council’s appreciation. Mr. Williams was also recognized with another plaque in 2002 by the Council for his hard work and dedication relating to his outstanding work benefiting forestry.

One aspect of the outstanding and diligent work that this CED has completed, within the realm of RC&D, includes the attainment, approval, and training of special work crews to assist with various types of forestry activities. These special work crews are organized through the Civilian Conservation Corporation. Thanks to Mr. Williams, these crews are being organized and receiving special training to be available to assist producers and landowners in their various forestry needs.

An additional achievement of Mr. Williams’ RC&D work with these crews includes the coordination and attachment of a lower cost for worker’s compensation charges through the government of West Virginia. This extra benefit attained by Mr. Williams’ dedication and abilities not only benefit average landowners, but especially assists limited resource producers and individuals. His efforts created a worker’s compensation classification for forest crew workers at a rate consistent with similar class workers which was prohibited in the past.

## WISCONSIN

■ **Youth Loan:** Jeff Pesz, a 17-year-old from Wonewoc, Wisconsin, has always been known as a hard worker, but admits he didn’t really know what hard work was until he started his own calf-raising business in August 2002, with the help of an FSA youth loan.



Jeff started his own calf-raising business in the late summer of 2002. To cut back on cost, Jeff merged his calves into his sister, Kim's, calf raising business. At the time, Jeff was starting his first semester in college and was busy with school work and trying to get his business off the ground. His sister took care of the calves on Mondays and Wednesdays, when he was in class, and he took care of them the remainder of the week. Jeff was responsible for paying Kim a rental fee, just as he would have to anyone else. He also paid for all feed, hay, medicines, and vaccines required for his herd.

"I purchased all of my steers when they were just a few days to one week old," said Jeff. "I paid between \$80 to \$120 for each calf, depending on the weight and the market price. When I sold them as steers they weighed between 280 and 300 pounds. Market prices range from \$.70 to \$.80 cents a pound." Jeff admits that raising steers was a hard business to be in, but he would gladly do it all over again. Owning his own business helped him finance his education and realize the importance of managing his money wisely and establishing good credit.

According to Jeff's FSA farm loan officer, Gerald McCauley, Jeff's loan was closed August 27, 2002, and it was paid in full July 7, 2003, over 45 days in advance. "Now that's unusual" said McCauley, especially from someone so young. I was impressed with his drive and determination throughout the whole process."

"I could not have obtained a loan anywhere else on my own without a co-signer and this is something that I wanted to do on my own," said Jeff. He is very thankful for the opportunity afforded to him by FSA.

The FSA Youth Loan Program is available to youths, ages 10 to 20, who live in rural areas where the population is less than 10,000. The maximum loan amount is \$5,000 and the terms of the loan vary depending upon the project, which has to be income producing.

## **FSA National Outreach Projects and Initiatives**

■ **Outreach Training and Technical Assistance to Small and Limited-Resource Farmers:** FSA signed a cooperative agreement in FY 2003 with the University of Puerto Rico (UPR). FSA continues to work with the UPR at Mayaguez and the Puerto Rico Agricultural Extension Service to provide outreach, training, and technical assistance to small and limited-resource farmers to ensure that all farmers in Puerto Rico are aware of FSA's programs and services. The goal of the program is to improve farm income through better management and financial analysis, and to provide assistance for small farmers to ensure they have access to all services available through various FSA programs. FSA funding of \$199,721 was provided.

**Hispanic Farm and Ranch Management Project:** FSA entered into a cooperative agreement in FY 2003 with the University of Texas Pan-American.

The agreement, in support of the South Border Region initiative, provides outreach, training, technical assistance, and other support for loan, disaster assistance, and conservation programs to Hispanic American farmers and ranchers in Texas and New Mexico. The program will also



afford real opportunities for participation in FSA programs, growth, and revitalization of their agribusiness, and will assist FSA in accomplishing its mission and objectives in the region. Funding in the amount of \$299,800 was provided.

■ **First Annual National Hispanic Farmers and Ranchers Conference:**

FSA co-sponsored the 1<sup>st</sup> Annual National Hispanic Farmers and Ranchers Conference was held on February 22-25, 2004, in San Antonio, Texas. The conference, hosted by the Texas/Mexico Border Coalition provided a forum for networking and forming new partnerships between public and private stakeholders to maximize their effectiveness in assisting small and limited resource farmers and ranchers to survive and thrive in the 21<sup>st</sup> Century. Conference attendance was estimated at 200 participants.

**National Tribal Development Association (NTDA) Project:**

■ **USDA Agricultural Mediation Program FY 2003:** The FSA certified State agricultural mediation program helps small farm operators and their creditors resolve disputes in a non-adversarial setting, thus avoiding the traditional process of litigation, appeals, bankruptcy, and foreclosure. In FY 2003, FSA obligated over \$3.9 million in matching mediation grants to 30 State agricultural mediation programs. The number of mediation clients increased from 3,804 in FY 2002 to over 4,991 clients in FY 2003. The number of resolutions increased from 73 percent to over 74 percent in FY 2003. The average cost per mediation case in FY 2003 was between \$687 and \$700.

■ **Conference Support to assist Small and Limited Resource Farmers:** FSA continues to work with Black Institutions of higher education to assist in their efforts to provide assistance to minority limited resource farmers. During FY 2003, \$5,000 was provided to the Small Limited Resource Minority Farm Conference hosted by Kentucky State University (KSU). This joint effort between USDA and KSU represents an ongoing effort by FSA to increase outreach to small limited resource farmers. Also, \$5,000 was provided to Prairie View A&M University and \$15,000 to Southern University and A&M College to support rural youth agricultural and science projects.

■ **Multi-Agency American Indian Initiative:** In FY 2003, FSA provided \$100,000 for its share of a multi-USDA agency American Indian “Farm Bill” Outreach Initiative to American Indians throughout Indian Country. This effort was conducted through a grant by the USDA Cooperative State Research, Education, and Economic Service.

■ **Needs Assessment of Women Farmers and Ranchers:** In FY 2003, FSA signed a 1-year cooperative agreement with the Rural Coalition to conduct a participatory social survey to identify and define the roles of women in agriculture. The survey will also help the USDA implement policies that will better serve the needs of female producers. The results of this survey will provide FSA with a baseline from which to build a strong program aimed at increasing women’s awareness, access to, and participation in USDA programs.



■ **Alabama Department of Agriculture and Industries:** FSA provided \$121,464 in FY 2003 to continue its statewide program of plasticulture. Farmers throughout Alabama, using plasticulture, can overcome drought conditions, thus maximizing their chances of economical viability.

■ **Mississippi Delta Plasticulture Project:** FSA entered into a cooperative agreement in FY 2003 with Mississippi Action for Community Education, Incorporated, to conduct a plasticulture project in Mississippi. The project will promote opportunities in agriculture for at risk minority Delta youths. FSA provided \$128,410 in funding.

■ **National Association of Resource Conservation and Development (RC&D) Conference:** FSA co-sponsored the 2003 Annual Conference of the National Association of RC&D Councils held in San Antonio, Texas, the week of July 20-23, 2003. More than 1,500 community volunteers, conservation partners, government representatives, and guests from across the country attended the conference.

■ **National Outreach Media Blitz:** FSA provided \$60,000 in FY 2002 through a cooperative agreement with the NTDA to conduct a National Outreach Media Blitz. This initiative was utilized to encourage, inform, and assist American Indians across the Nation to participate in and be elected to the FSA county office committees (COC). In FY 2003 the project was modified to target specific areas of Indian Country to increase the opportunity for successful participation in this election.

This project was highly successful in increasing the number of American Indians participating in the COC election. Over 42 percent of all minorities on the FSA COC are now Native Americans. In FY 2003, FSA again provided \$65,900 to the NTDA to continue this nationwide outreach initiative to increase the participation of American Indians in the FSA COC nomination and election process.

■ **National FSA American Indian Credit Outreach Initiative:** Based on the outstanding success of the NTDA's previous 4-year outreach project on agriculture credit in the State of Montana, in FY 2002 FSA expanded the National FSA American Indian Credit Outreach Initiative nationwide on a 3-year phased approach. The project increased the loan levels to Native Americans in Montana 100 percent to about \$10 million while the delinquency rate for Native Americans was reduced by 50 percent based on the pre-education and loan counseling.

In FY 2002, Phase I of the project was expanded to 10 northern States and FSA provided \$866,022. In FY 2003, because of the project's positive results, FSA provided an additional \$1,599,954 for the implementation of Phase II of the project expanding the outreach effort to 35 Northern and Eastern States.

■ **USDA Tribal Consultation Meeting:** In FY 2002, FSA participated in the site visit and job fair for the first ever USDA Tribal Consultation Meeting held with the Navajo Nation. The site visit and job fair was held in Window Rock, Arizona.



■ **Intertribal Agricultural Council (IAC):** In FY 2002, as a continuing effort, FSA participated in a multi-agency contract with IAC. The contract was on its fifth year of a 5-year agreement with participating USDA agencies on an outreach effort to notify American Indians and Tribal Governments of available USDA programs. FSA's portion of funding for FY 2002 was \$100,000.

■ **USDA's Native American Indian Program Group:** In FYs 2002 and 2003, the FSA Native American Liaison chaired the USDA's American Indian Program Group. The group meets monthly to discuss and coordinate multi-USDA agency program issues, outreach needs, and efforts to ensure agencies were effectively and efficiently conducting their outreach efforts to Native Americans. The FSA Liaison also served as the FSA's representative to the USDA Native American Working Group, which meets monthly to coordinate all American Indian issues throughout USDA, including Civil Rights issues.

■ **Oklahoma Plasticulture Project:** FSA entered into a cooperative agreement in FYs 2003 and 2004 with the Oklahoma Department of Agriculture, Food, and Forestry. The Plasticulture/Marketing "Sustainable Agriculture Program" provided direct marketing options for small farmers. The 30 newly created farmer markets and the Senior Farmers Market Nutrition Program provides \$1,000,000 in coupons directly to Oklahoma certified producers. All of these activities will create a favorable climate for small and limited resource farmers. FSA funded the project with \$154,899.

■ **Professional Agriculture Workers Conference (PAWC):** FSA continues to provide financial support to the PAWC held annually at Tuskegee University. The conference is hosted by Tuskegee University and provides a forum for agricultural practitioners including academia, private industry, farmers, and ranchers for networking and exchanging ideas on how to provide better services and aide small and limited resource farmers and ranchers. Funding in the amount of \$5,000 was provided.

■ **Tuskegee University Annual Farmers Conference:** FSA provided \$5,000 in financial support to Tuskegee University to co-sponsor the 112<sup>th</sup> Annual Farmers Conference. The conference is a 2-day educational forum held annually at Tuskegee University that features panel discussions and concurrent workshops. The sessions address emerging issues surrounding small farm families and rural communities.

## **Food and Nutrition Service (FNS)**

■ **Food and Nutrition Service (FNS) WIC Farmers' Market Nutrition Program (FMNP) and Senior Farmers' Market Nutrition Program (SFMNP):** FNS continues to be an active participant in the annual national conference of the National Association of Farmers' Market Nutrition Programs (NAFMNP). This Association includes members that operate the FMNP and/or the SFMNP.

FNS conducted a site visit of one of the new SFMNP grantees in FY 2003. Site visits provide an excellent opportunity for FNS to offer technical assistance to new grantees.



With FNS assistance, NAFMNP produces an annual Program Impact Report that highlights the accomplishments of FMNP. This report is the primary document used by FNS and NAFMNP to describe the administration and outcome of FMNP and continues to be a valuable outreach, training, and marketing tool. In an effort to promote the benefits of FMNP and SFMNP, FNS developed two banners to exhibit at conferences, meetings, and other events.

For further information, please visit our Web site at [www.fns.usda.gov/wic](http://www.fns.usda.gov/wic).

## **Food Safety and Inspection Service (FSIS)**

In FYs 2002 and 2003, the Animal and Egg Production Food Safety Branch (AEPFSB) within the Office of Public Health Science (OPHS) assisted small farmers and ranchers by providing non assistance cooperative agreements to minority colleges and universities; by developing a Production Level Brochure, “Residue Avoidance for Cattle Farmers and Ranchers”; by offering an Animal and Egg Production Food Safety Conference in San Juan, Puerto Rico; and by giving Production Level Food Safety presentations and staffing FSIS exhibits at national conferences.

### **■ Cooperative Agreements – Minority Universities**

- FY 2003 – \$169,000.00. University of Puerto Rico, 20K; North Carolina A&T, 24K; Si Tanka University, 25K; Fort Peck College, 20K; University of Texas-Pan American, 30K; Prairie View A&M University, 30K; New Mexico State University, 20K.
- FY 2002 - \$60,000.00 (20K each). Florida A&M, Alabama A&M, Langston University.

■ The Production Level Brochure, “Residue Avoidance for Cattle Farmers and Ranchers” is currently in Agency Review. It identifies current Agency Residue procedures, discusses the Public Health implications of residues, and provides methods and resources on how to prevent residues in cattle presented for slaughter.

■ FSIS, in conjunction with the Food and Drug Administration and the University of Puerto Rico, sponsored an Animal and Egg Production Food Safety Conference held in July 2002 in San Juan, Puerto Rico. The intent was to provide liaison from the U.S. mainland and education on HACCP-compatible food safety production level programs for farmers, ranchers, agricultural educators, researchers, and industrial organizations in Puerto Rico, Spanish speaking Caribbean, and Spanish speaking Latin America.

■ AEPFSB provided Production Level Food Safety presentations and staffed FSIS exhibits at seven national conferences for small farmers and ranchers in FYs 2002 and 2003. Three of these were outreach conferences in Albuquerque, New Mexico, Shiprock, New Mexico, and Chinle, Arizona. Other support was given at the Federation of Southern Cooperatives/LAF 30<sup>th</sup> Annual Small Farmers Marketing & Trade Conference, the Federation of Southern Cooperatives, the Landowners Association of Texas 18<sup>th</sup> Annual Farmers & Ranchers Conference, and the Alabama A&M University annual Goat Day.



## Foreign Agricultural Service (FAS)

FAS bears the primary responsibility for USDA's overseas agricultural activities, which include market development, international trade agreements and negotiations, the collection and analysis of statistics, and market information. FAS also do the following:

- (1) Administers USDA's export credit guarantee and food aid programs.
- (2) Helps increase income and food availability in developing nations by mobilizing expertise for agriculturally led economic growth.
- (3) Operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace.

Additionally,

■ FAS programs help U.S. agricultural exporters develop and maintain markets overseas for hundreds of food and agricultural products, from bulk commodities to brand name food items. Promotional activities are carried out chiefly in cooperation with agricultural trade associations, state-regional trade groups, small businesses, and cooperatives that plan, manage, and contribute staff resources and funds to support these efforts.

■ FAS coordinates and directs USDA's responsibilities in international trade negotiations, working closely with the U.S. Trade Representative's office, other USDA agencies, and the U.S. agricultural industry to help identify and to reduce foreign trade barriers and other practices and policies that hinder U.S. agricultural exports. FAS's trade information is used to develop and hone strategies to increase market access, pursue U.S. rights under trade agreements, and improve programs and policies to make U.S. farm products more competitive.

■ FAS enhances U.S. agriculture's competitiveness by providing linkages to world resources and international organizations. These linkages produce new technologies that improve the agricultural base and produce new and alternative products, promote mutually beneficial relationships between scientists and leaders domestically and worldwide, and connect the technical expertise of the U.S. agricultural community with counterparts in other countries. Through collaborative research, the U.S. agricultural sector gains access to emerging technologies and a wider array of genetic material, and developing nations have access to the technical expertise that can help them surmount the barriers of hunger and poverty and build more stable economies.

■ The Cochran Fellowship Program provides training to agriculturalists from middle-income countries, emerging markets, and emerging democracies. They gain exposure to U.S. economic policies, agricultural business practices, and products, and they are introduced to U.S. agribusinesses, agencies, and other organizations.



## FAS Outreach Programs and Activities

■ The objective of the FAS Office of Outreach and Exporter Assistance (OOEA) outreach activities is to identify and to expand FAS customer base and their knowledge, access to and participation in export programs, services and market opportunities abroad, as well as improving services to the traditionally underserved and limited-resource customers.

The FAS goal is to increase exports of U.S. agricultural products through active participation/utilization and understanding of the export programs and resources available. Activities are undertaken which create partnership, facilitate communication and education, and enhance outreach coordination among constituents and potential customers.

■ The FAS Small Farms Coordinator (SFC) also continues to be a strong advocate for small and disadvantaged farmers and agricultural businesses and their participation in market development programs for exporting. The SFC collaborates with the FAS Civil Rights Staff to ensure equal access to FAS programs and activities and participation in the trade and exporting to facilitate the Agency's commitment to ensuring that equal opportunity and civil rights principles are demonstrated in the Agency's program delivery practices and activities.

## Other FAS Outreach Initiatives

■ **Expanding Partnerships with Nonprofit Organizations:** OOEA established partnerships with many of the service providers to farmers and agricultural businesses. This office also expanded its partnership with the National Association of State Departments of Agriculture (NASDA), the National Conference of State Legislatures, the Rural Coalition, the Federation of Southern Cooperatives, Historical Black Colleges and Universities, the National Minority Supplier Diversity Council, and the Department of Commerce, among others.

NASDA is a nonprofit, nonpartisan association of public officials comprised of the Commissioners, Secretaries, and Directors of the fifty state departments of agriculture and those from the territories of Puerto Rico, Guam, American Samoa, and the Virgin Islands.

The OOEA participates yearly in NASDA national and regional events, as well as in the state departments of agriculture activities. FAS also partners with NASDA to promote the U.S. Food and Market Institute food show every year by bringing foreign trade missions and FAS overseas specialists to the show to promote and discuss the opportunities for U.S. food sales abroad.

FAS also partnered with the Idaho Department of Agriculture to set up an export seminar for Idaho companies to learn one on one details for the FAS Export Credit programs.

Approximately 30 Idaho companies participated in the seminar. The seminar was an outgrowth of FAS long-term partnership with the state departments of agriculture and our new partnership with the Department of Commerce.

■ **Export Education Seminars in Philadelphia and Newark:** In 2002, FAS agricultural staff gave presentations in export education seminars focusing on Mexico, Canada, the Dominican Republic, and other Caribbean markets. The seminars were sponsored by the state departments of agriculture in New Jersey and Pennsylvania, St. Joseph's University, and Food Export USA-



Northeast. The three markets highlighted are currently among the largest customers for U.S. food and agricultural products. In 2001, the United States' two North American Free Trade Agreement partners, Canada and Mexico, together took an unprecedented \$15.3 billion in U.S. agricultural products. .

■ **FAS Participates in USDA Farm Bill Briefing:** In 2002, the OOEa participated in the first USDA 2002 Farm Bill briefing for small farmers and traditionally underserved customers orchestrated by the USDA Office of Outreach. The event was designed to connect USDA customers to agency programs and services and new provisions of the 2002 Farm Bill.

Over 320 people attended the briefing on the campus of Virginia State University in Petersburg, Virginia. Emphasis was placed on how USDA can better serve traditionally underserved customers. FAS stressed the importance of trade, the myriad of export programs and services, and ongoing efforts with industry and through trade negotiations to open more markets overseas for agricultural products.

■ **FAS Launches Its Export Readiness Training (ERT) Program:** In FY 2003, FAS approved and began its ERT program in South Carolina. Ten companies were chosen and a 7-month training program began in January. Despite the fact that the training will not be entirely completed until August, export discussions have already begun between Sylvia's Food and Wal-Mart Canada, and TJ Woods and P&G China. Both are small minority owned and operated companies.

A final report has been received for the first three ERT programs that begin in 1999 (Alabama, Mississippi, and Georgia). The report sights approximately \$2 million in sales as a result of this program. A subsequent program for Texas has been completed, but a final report has not been delivered.

■ **FAS Advocates Agricultural Exports To USDA 2501 Recipients:** In 2003, the OOEa presented information on the importance of U.S. agricultural trade to (60) 2501 Program participants and supporters of underserved and disadvantaged farmers and ranchers. Of interest was information on how to get started in exporting and the role of the State departments of agriculture in providing export assistance.

The 2501 Program provides outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to participate in agricultural programs. In 2003, USDA awarded 34 competitive grants to colleges and community-based organizations totaling \$6.4 million for the program.

FAS also briefed USDA 2501 Program Directors about FAS and export programs and services. The objective was to use the train-the-trainer model to have the 2501 Directors provide export information to producers who could participate in the export of food products.

■ **FAS Participates in the Council of 1890 Land and Land Grant Meetings:** In 2003, the OOEa provided export information to the Council of 1890 Presidents/Chancellors during their summer annual meeting in Memphis. FAS shared with the Council information on opportunities



for partnership on technical assistance in international projects. FAS also provided information on other USDA programs and services for small farms. In 2002, the Council signed a Memorandum of Understanding (MOU) with minority farmers and their associations.

The purpose of the MOU is to reaffirm the 1890s' long standing commitment to improving the productivity and performance of minority farmers and strengthening existing relationships between the 1890 universities and minority farmers. The Council visited with small farmers at the Arkansas Land and Farm Development Corporation in Brinkley, Arkansas.

■ **Developing Further FAS Partnerships:** In 2002, the OOEa participated in the USDA Outreach sponsored workshop in Perry, Georgia. The targeted audience for the event was small and limited to resource farmers, ranchers, producers, growers, and landowners. Alcorn State, Fort Valley State, Southern University College, and Tuskegee sponsored the workshop. Nearly 500 participants attended the session.

■ OOEa staff met with the Southwest Louisiana Economic Development, Inc., and the Greater New Orleans Agricultural Coalition and Enterprise Communities, 2002. The purpose of the meeting was to develop further FAS partnership with these organizations. Both organizations represent a diverse constituent base and seek opportunities to improve the depressed rural Louisiana communities and low economic conditions of minority producers. The OOEa toured rural Louisiana and met with producers, small town mayors, and other non-profits. Through FAS assistance, these organizations are working with land-grant universities to access USDA programs in order to provide benefit to rural Louisiana and Mississippi communities and small producers.

■ **FAS Participates in Small Farm Events Sponsored by Alcorn State University's (ASU) Extension Service:** ASU is the oldest 1890 land-grant college and partners with USDA on many agricultural related programs and projects.

In 2003, OOEa participated in the "Small Farm Field Day" in Preston, Mississippi, sponsored by ASU Extension Service. The research facility in Preston is used to develop small specialty and medicinal crops. Local producers participate in an onsite 3-year production research, education, and extension program. The facility is funded directly through state appropriations and land is leased from local landowners. Topics discussed included cooperative development, farmers market, risk management, HACCP, marketing and exporting. Attendees included students, producers, extension agents, state legislators, and USDA AMS, RBS staff.

In 2003, the OOEa also promoted agricultural entrepreneurship in the global economy to minority junior and senior high school students brought together in Mississippi by Alcorn State University's School of Agriculture in the form of a week long Agricultural Entrepreneurship Camp.

OOEA provided information on the U.S. and world market for food and agricultural products, trade agreements, export programs and careers in agriculture. The camp sought to stimulate high school students' interest in the field of agriculture and agribusinesses and expose students to new



and innovative agricultural concepts like genetically modified organisms, Federal and state agricultural agencies, businesses, and career opportunities in the world of food and fiber industries.

In 2002, OOEA met with minority producers, small farm and extension specialists, and other service providers attending Alcorn State University's 13<sup>th</sup> Annual Field Day. The theme was "Moving Mississippi's Families and Farms into the 21<sup>st</sup> Century." An estimated 1,200 farmers and families participated. Participants learned of export opportunities and programs available from USDA. Seminars conducted included food safety, mushroom production on sawdust blocks, health and nutrition, and a briefing on the class action settlement. Demonstration tours included visits to a muscadine field, a tree planting site, and an animal husbandry facility.

■ **FAS Participates in a Meeting at Southern University to Increase Awareness of USDA's Programs:** In 2003, the OOEA presented information on foreign markets, FAS, export and USDA programs to university agricultural leaders at Southern University, Louisiana State, and Alcorn State. The objective of the meeting was to create an increased awareness of USDA's programs and the opportunities for the sustainability of small producers and rural communities through the integration of policies adopted by rural business leaders.

The meeting resulted in Southern University taking the lead with Alcorn State and Louisiana State as collaborators to develop a proposal for submission through the Fund for Rural America. The proposal targets rural agricultural communities in Louisiana and Mississippi. The goal is to develop a model that would help diversify rural economies, develop and maintain profitable farms, and businesses, and build partnership for viable communities.

■ **FAS Reaches Out to Rice Producers in Arkansas:** Also in 2003, the OOEA visited Arkansas rice producers in the Arkansas Delta. OOEA visited the farm operations of an African American rice producer and processor working 3,000 acres, which mills long grain rice for Gulf Rice and processes private label rice for pet food. OOEA continues to assist the producer to understand the export market. OOEA visited another rice producer in the Delta with 1,000 acres in medium grain production interested in exporting rice (rough and processed) and other agricultural products. The producer also grows edible soybeans for a broker of buyers in Japan.

■ **FAS Outreach with Oklahoma Small Farmers:** In 2002, OOEA presented information on FAS and exporting to an estimated 250 minority producers in Oklahoma. Most of the participants were unfamiliar with either. Producers' concerns raised included the need for USDA to improve customer service and program processes, to identify program procedural timelines, and to provide in-depth information about all USDA programs and the effects outsourcing would have on USDA programs and services to producers. The Oklahoma Department of Agriculture and Langston University sponsored the event with support from the USDA.

■ **FAS Participates in the "Hawaii To Go Conference:"** In 2001, OOEA participated in this conference that was held in Maui, Hawaii. More than 80 Hawaiian producers and processors took part in the first successful rural and export market development resource conference



sponsored in Hawaii. The conference outlined the export programs and services available to Hawaiian exporters from the USDA and the Oregon State Food Innovation Center. USDA speakers from Rural Development and FAS addressed issues and questions from Hawaiian producers. FAS speakers discussed the FAS Emerging Markets Program, the Market Access Program, and Export Credit Programs. OOEa representatives to the conference spoke about Hawaii's agricultural exports.

■ **Outreach to Service Providers for Farmers:** In 2001, OOEa participated in the USDA Risk Management National Outreach Conference in Memphis. The conference targeted universities, State and Federal employees, and non-profit organizations that provide services to farmers. An estimated 130 individuals attended the conference. OOEa presented a session on exporting. Twenty service providers and ten producers attended the session. Participants expressed an interest to continue learning more about the opportunities in exporting and participating in USDA programs. OOEa also presented information to a delegation from Senegal on U.S. agriculture and the USDA overseas program. The delegation was visiting on a city-to-city partnership program with the Department of Commerce and Economic Development.

■ **FAS International Research and Exchange Programs:** FAS's Scientific Cooperation and Research Programs have enhanced linkages for collaborative research between Historically Black Colleges and Universities and African countries since the early 1980's. These programs support international cooperative research efforts focused on practical uses of science to help solve critical problems affecting U.S. agriculture and forestry, such as trade barriers and phytosanitary issues, food safety, and exotic diseases and pests. Florida A&M, Fort Valley State, Langston, Prairie View, and Tuskegee Universities are conducting joint research with scientists in Ethiopia, Ghana, Kenya, Nigeria, Senegal, South Africa, and Zimbabwe.

Scientific cooperative research activities promote the safe and appropriate development and application of biotechnology and other tools for food safety, improving the nutritive value and resistance of crops and livestock, environmental sustainability, and other priority food and agriculture issues affecting needs of limited resource and small farmers.

This scientific cooperation, a vital component of the sustainable agricultural development necessary for both domestic and global food security, also helps increase the technical and scientific capabilities of both U.S. and foreign scientists, including the increasing participation of women.

■ **FAS Participates in the Risk Management Agency Conference:** In 2003, OOEa and other USDA agencies sponsored and disseminated information to approximately 600 attendees at the Risk Management Agency Conference in San Diego, California. The Conference gave small and limited-resource agricultural producers the tools necessary to obtain information and effectively understand and evaluate options available to them.

■ **FAS Partners with the Business Women Network (BWN) to Expand Outreach Efforts:** FAS developed an MOU in 1999 with the Business Women Network to develop, enhance and expand outreach efforts to women in agriculture, involved in both on-farm and off-farm



activities, by disseminating information about FAS programs and services throughout BWN affiliates and members, and other activities specified in this agreement. Women own 40 percent of all private agriculture land in the United States.

■ **FAS Participates in a Conference for Native American Women:** The Fort Mojave Tribe in Nevada hosted a conference for Native American Women with Disabilities in 2002, with over 200 participants from across the country sharing experiences and exploring increased access to funding, technical assistance, training, internship and employment opportunities. FAS coordinated a session covering successful examples of Native American participation in domestic and international USDA food and agriculture programs ranging from resources for people with disabilities, to projects helping cooperatives and individuals produce and market value-added products locally and overseas, to environmental concerns and rural development.

■ **FAS Reaches Out To Minority Farmers & Women Businesses.** In 2003, OOEA presented information on FAS, global markets, and export programs to 34 small minority farmers and women in business who expressed interest in utilizing FAS's programs and services. Highlighted by FAS was the importance of having quality products, sufficient volume and an international marketing plan. The 2-day conference brought together 200 minority businesses from Mississippi and Arkansas, and was organized by the Mississippi Association of Cooperatives, and co-sponsored with Alcorn State University, Mississippi Forestry Commission, and USDA's Risk Management Agency.

■ **FAS Reaches Out to Minority Suppliers:** In 2003, OOEA attended the National Minority Supply Development Council (NMSDC) Conference to search for potential minority food exporters. OOEA was successful in finding seven potential export-ready companies seeking export assistance for potential foreign buyers. The NMSDC has a food and beverage industry group committee. OOEA began working with the group to provide export information to them and to develop a partnership with minority companies through the NMSDC.

■ **FAS Provided Export Assistance To An African-American Food Company:** In 2003, OOEA provided hands-on export assistance to an export-ready African American manufacturer of beef and pork. Based in Illinois, Duerson Foods is a supplier of pork, turkey, and beef to Burger King, U.S. Foodservice, Sysco, Jewels and Avendra. The owner Dave Duerson, ex-Chicago Bears standout and Notre Dame Graduate, began his food venture in 1997 under Fair Oaks Farms where they were a prime vender to the McDonalds Corporation.

In May 2003, Dave opened his \$22 million, 75,000 square foot state-of-the-art USDA approved facility. He was interested in exporting his products abroad and sought FAS's assistance. FAS's goal in working with Duerson Foods is to increase U.S. exports of his products and to ensure Dave's successful participation in FAS exports programs as a minority participant and in the export market.

■ **FAS Participates in Council of State Governments Conference:** In 2003, the FAS International Trade Policy Office briefed select state legislators and elected State government officials on recent trade developments under the World Trade Organization (WTO) and the Cancun meetings. Since 1933, the Council has championed excellence in state government by



tracking national trends and innovations, and advocating multi-state problem solving. The Council's Agricultural and Rural Policy Committee works to address key agricultural issues of its members. In this session, FAS was asked to provide insight into overall exports and trade developments with China, Cuba, and WTO.

■ **FAS Briefed Small Exporters Trade Working Group:** In 2003, OOEa provided a briefing to 40-plus members of the Small-Medium Sized Exporters (SME) Trade Working Group. The Group is chaired by Congressman Donald Manzullo of Illinois and includes government, legislative, and private sector trade group representatives. The 100-plus member group seeks to promote an SME-friendly regulatory and government trade environment and in turn work to grow new markets for SMEs. The Group sought FAS input on "How to Get Middle America Involved in Exporting." FAS reviewed related export programs and services and highlighted a history of outreach and export promotion initiatives designed to engage more small companies to export.

OOEA addressed leaders from over 45 World Trade Centers (WTC) in 2003. The WTCs promote and centralize services and resources that help small and medium-sized businesses to compete internationally. There are 350 centers around the world with an international network of over 750,000 members. The WTC leaders were keenly interested in USDA's Emerging Markets, Cochran, and trade show/mission programs. These WTCs offer USDA long-term partnerships to promote trade, enhance exporter assistance to agricultural companies, and create grassroots support for new trade policy initiatives.

■ **FAS Participates in Council of State Governments Conference (CSG):** In 2003, OOEa addressed the CSG's Agriculture & Rural Policy Task Force at their annual meeting. CSG is a non-profit, non-partisan organization promoting excellence in state government. Members of the Task Force included state legislators, state agriculture directors and private sector representatives. FAS provided an overview of ongoing trade negotiations, trade developments, and the importance of agricultural trade to the states. CSG Task Force members expressed concern about Brazil's competitiveness in soybeans and meat, growing anti-Americanism in key markets, level of U.S. support for GMO products during WTO negotiations, and country of origin labeling issues.

OOEA met with the U.S. Chamber of Commerce's Senior Trade Advisor to discuss the Chamber's trade education campaign in 2003. The Chamber's long-standing, and nationally recognized trade education program is called TradeRoots. To date, the program has targeted 27 states and 66 congressional districts for supporting events. TradeRoots is designed to build grassroots support for trade and create support in the U.S. Congress.

The program's success is the result of a sustained and proactive national campaign that partners with governors, Federal agency, state, and community leaders to conduct targeted, highly publicized local events. These events often feature high-ranking private and public officials portraying common messages on the importance of trade and bolstered by local success stories. The Chamber is exploring partnering options with USDA as to a trade education campaign involving agricultural trade.



■ **National Minority Enterprise Development (MED) 2001 Conference:** The Minority Business Development Agency of the U.S. Department of Commerce (DOC) and the U.S. Small Business Administration (SBA) hosted the 2001 MED Week Conference in Washington, D.C. The theme was “Strategies for Growth in the American Economy.” Workshops focused on exporting, infrastructure, and business development. Other participants emphasized the importance of Trade Promotion Authority, particularly for small companies to access foreign markets, since approximately 80 percent of all U.S. exporters are minority sole proprietorships. The conference provided an excellent forum for networking among minority small businesses and key government and corporate personnel.

■ **National Nutritional Foods Association (NNFA) Trade Show and Convention:** OOEA represented FAS at the NNFA Marketplace 2001, the association’s 64<sup>th</sup> annual trade show and convention, meeting with domestic producers interested in exporting and international visitors interested in purchasing U.S. products. The show hosted roughly 500 exhibitors, and offered more than 60 educational seminars and workshops in support of the natural food products industry, which has annual sales estimated at \$45 billion.

The National Nutritional Foods Association, founded in 1936, represents the interests of some 3,000 retailers and 1,000 manufacturers, suppliers, and distributors of health foods, dietary supplements, natural ingredient cosmetics, and other natural products.

■ **FAS Familiarizes Florida Partners with Export Programs:** In 2001, OOEA and the Southern United States Trade Association briefed specialists from the Florida Export Assistance Centers of the U.S. Commercial Service and the Florida Department of Agriculture on USDA export programs and information resources. The purpose of the ongoing training is two-fold:

- (1) To strengthen partnership between state and Federal service providers, streamline collaboration and enhance communication; and
- (2) To utilize DOC’s field staff to help educate potential U.S. agricultural exporters on export programs.

FAS’s objective is to increase the U.S. market share of trade in food products by proactively engaging more companies in exporting through increased participation in export programs and familiarization with new and niche-market trade opportunities.

■ **FAS Collaborates with the Foreign Commercial Service to Expand Export Opportunities:** FAS and the U.S. Foreign Commercial Service (CS) play a critical role in serving U.S. export interests at home and abroad. To provide U.S. food and agricultural companies with complete customer service, maximize the number of U.S. companies exporting, and capitalize on trade opportunities, FAS and CS committed to increased collaboration. The collaboration included state departments of agriculture, National Marine Fisheries Service (NMFS), USDA traditional and nontraditional trade groups, and other export entities. Standard operating procedures (SOP) were developed to effectively leverage Federal and state resources to assist U.S. food and agricultural businesses.



The purpose of the collaboration is to provide a structured and seamless delivery of export services at the state level to U.S. agricultural companies, particularly small/medium-sized companies. The goal is to utilize the strengths of all relevant organizations to maximize value to the U.S. companies and expand exports while avoiding duplication of effort. A matrix of key agribusiness contacts and service providers was provided to each CS Office.

CS officers working with food companies become familiar with the FAS Exporter Assistance Web site and the key contacts and programs that are available for the exportation of food and agricultural products, including processed foods, fish; forest and natural fibers.

In 2001, OOEa teamed with CS to participate in Senator Byrd's Appalachian-Turkish Trade Project Conference in Shepherdstown, West Virginia. The objective of the Conference was to provide export readiness training, seek out creative ways to fund feasibility studies, and provide financing and insurance in supporting Appalachian exports and investment in Turkey. Export credits and marketing assistance were discussed with the participants.

■ **FAS and the Rural Coalition Sponsor Workshops:** In 1999, FAS entered into a Memorandum of Understanding (MOU) agreement with "The Rural Coalition" (RC) to assist small-scale producers, underserved farmers, and cooperatives to increase their knowledge and participation in exporting. As a result, the RC's 45 cooperatives membership acquired additional knowledge of FAS export programs and the market opportunities abroad. FAS sponsored the RC participation in the Miami Food and Beverage Show and participated in the RC annual workshops. OOEa provided specific guidance to the RC's 250-member delegation on how to export horticultural products to Mexico and guidance on how to utilize the FAS Web site.

■ **FAS Partners with the National Conference of State Legislatures.** FAS and the National Conference of State Legislatures (NCSL) have had in place an MOU since 1999 to educate state legislatures, legislative staff, and public policy makers on the importance of agricultural trade, and provide updates on key export issues, policies, and programs. Essential to the agreement is the understanding of NCSL and FAS that each of the state departments of agriculture should be viewed as a full partner with the FAS in the agricultural export development project. The MOU has successfully created a national dialogue on agricultural exports with state legislators.

FAS was successful in raising the profile of agricultural trade issues with the NCSL members. The NCSL has held special sessions on the rural economy. There were two sessions specifically devoted to trade, a major session on the rural economy, and individual meetings with state legislators on agricultural trade issues. Discussions covered a full range of issues including the role of agriculture, health, education, and drug abuse.

Secretary of Agriculture, Ann M. Veneman met with state legislators attending the spring meeting of the NCSL assembly on Federal issues. In her comments, she emphasized the importance of exports to U.S. agriculture and highlighted the values of processed foods, fruits, and vegetables in the US export pictures. The Secretary provided information on the Global Food for Education program. The legislators asked the Secretary questions about incentives for corn production, additional assistance for value added products, and industrial hemp. In



response to questions about rising energy costs, the Secretary noted the potential of bio-mass and ethanol fuels.

■ **FAS Partners with USDA's Rural Development Mission Area to Develop Outreach**

**Programs:** FAS and Rural Business Cooperative Service began a partnership in 1999 to develop outreach programs to improve the competitiveness of small farms and enhance the sustainability of rural communities. This is accomplished through the coordination in developing producers' capacity to participate in the export markets utilizing the cooperative form of business. FAS presented trade information to RBS personnel at seminars and visited local state offices to discuss export programs and market opportunities. FAS also worked with the Federation of Southern Cooperatives to promote exports through cooperatives.

## American Agricultural Trade

■ **Importance of Trade:** The importance of exports to American agriculture cannot be overstated. Exports solidly underpin farm income and support more than 800,000 jobs of which 40 percent are in rural areas. Exports mean jobs that pay higher than average wages and are distributed across many communities and professions. Twenty-five percent of all cash receipts for agriculture come from export markets. Nearly half of U.S. wheat and rice crops are exported, about one-third of soybean and meat production is shipped overseas, and 20 percent of corn crop is exported. Dollar for dollar, the United States exports more corn than cosmetics, more wheat than coal, more bakery products than motorboats, and more fruits and vegetables than household appliances.

Farmers in the United States produce more with the same or even fewer resources than 50 years ago. American farmers must look to foreign markets because production and production capacity are increasing faster than domestic demand. U.S. agricultural exports are expected to reach a near-record \$59 billion in FY 2004, still less than 20 percent of total world agricultural trade. The competitiveness of U.S. food and agricultural sector results from investments made each year by U.S. farmers, the food industry, and the U.S. government. U.S. agricultural trade programs are designed to develop and expand commercial outlets for U.S. commodities and to provide international food assistance.

Trade provides consumers with access to a wider variety of foods at reasonable prices, including those not produced domestically. Since 96 percent of the world's consumers live outside the United States, trade brings items such as tropical fruits, coffee, and exotic cheeses to American consumers. Imports make fresh fruits and vegetables, such as asparagus and grapes, available at affordable prices during winter months. U.S. food processors rely on global markets for many food ingredients, such as cocoa (combined with domestic sugar and dairy products) for chocolate.

■ **Trade Policy:** Agricultural trade throughout the world is changing. Technology and fewer trade restrictions have opened international markets for both buyers and sellers. The United States proposed changes to agricultural and trade policies that continue to block access for U.S.



producers and distort the world's agricultural markets through unfair competition. Keeping up with fluctuations in markets, new and amended regulations, and issues that affect trade is challenging.

The U.S. Proposal for Agricultural Trade Reform is built around the following three points:

- (1) Export Competition - phase-out of direct export subsidies;
- (2) Market Access - elimination of high tariffs;
- (3) Domestic Support – hold trade-distorting domestic support to five percent of the total value of agricultural production during the first phase and ultimately complete elimination of these domestic supports.

■ **Free Trade Agreements:** World agricultural tariffs still average 62 percent, far above the 4 percent level for manufactured goods. The U.S. agricultural market is relatively open for most products, averaging only 12 percent, while the European Union tariffs average 30 percent, and Japan's average 50 percent.

Many developing countries also have very high tariffs. For example, India's average bound tariff is 114 percent. The United States has entered negotiations with 33 democracies in the Western Hemisphere to form a Free Trade of the Americas. The United States has forged bilateral free trade agreements with Israel, Jordan, Singapore, and Chile, and it is committed to securing similar bilateral or regional agreements with Morocco, Central America, and South Africa, among others.

Trade policy reform has the potential to boost prospects for food and agricultural markets in developing countries by stimulating economic growth and development. With access to growing markets, American producers will have greater opportunities to grow and develop their businesses. Successful world agricultural trade policy reform will mean even greater access to the bounty of global markets.

## **Forest Service (FS)**

■ **Cooperative Forestry Program:** In 2003, the Cooperative Forestry helped landowners manage almost 4 million acres of private forestlands, and helped protect over 170,000 acres of working private forestlands.

■ **Involving and Assisting Underserved Groups:** FS provided significant financial support for technical tree nursery training for Native Americans; follow-up assistance; and translating technical journals, worksheets, and other publications into Spanish for educating Hispanic youth and the Hispanic work force and general populations. Funding has been provided to allow for training in every county in Mississippi for all forest landowners, targeting the small farmers and African-American landowners.



■ **Small Farms and Landowners Conference:** FS provided technical and financial support to the Small Farms Conference, held in Albuquerque, New Mexico, October 2002. This conference provided technical information to community-based organizations, bankers, universities, and others that provide ongoing assistance to small and limited-resource farmers, woodland owners, and other USDA customers.

■ **National Black Farmers Association Conference:** FS provided technical and financial support to the November 2003 Conference, held in Falls Church, Virginia. The conference theme was “Come and Change Your Future.” This conference provided information to small and limited-resource farmers, ranchers, and other USDA customers.

■ **Forest Taxation Network:** FS provides technical expertise and coordination in the area of timber taxation. Members of an FS Forest Taxation Team conduct educational workshops and assist others to hold workshops around the country for tax professionals and landowners.

In 2003, the FS team helped conduct over a dozen workshops nationwide. The team works with university and private partners to produce technical publications such as “Estate Planning for Forest Landowners”, “Forest Landowners Guide to the Federal Income Tax”, and “Tax Tips for Forest Landowners”. FS supports a National Timber Tax Web site, [www.timbertax.org/](http://www.timbertax.org/), which provides leading-edge technical information to the public.

During 2003, the team also worked to revise the “Estate Planning” publication and expects to publish that report in 2004. FS also facilitates a National Forest Taxation Network. The network exchanges information and research on forest taxation research and legislation. In addition, the network held its annual meeting in Washington, D.C., and hosted an Internal Revenue Service (IRS) panel on timber taxation issues in process with the IRS.

■ **Dissemination of Information to Nonindustrial Private Forest (NIPF) Landowners:** In cooperation with State Foresters, FS has developed the National Network of Private Forest Landowners (NNPFL). These groups hold meetings and network with other landowner associations to benefit America’s 10 million private forestland owners.

■ **Assistance to Underserved Communities:** Through Rural Community Assistance programs and other programs, the FS provided direct financial, technical, and organizational assistance to over 215 tribes and minority communities to improve their economic stability.

■ **Program for Native American Students:** Working with a variety of partners, FS provided funding to develop a training model for the exchange of Native American High School students between Alaska and Hawaii. The financial assistance was coupled with technical assistance in both States to help locate and develop training sites for the exchange. The success of this model will determine future support for expanding this project.

■ **Public Outreach Toolkit:** A public outreach toolkit developed by FS is available on its Web site. It explains how FS and State program managers can reach all segments of society, including underserved populations and communities, so that programs and activities are accessible to all who qualify. It is also a guide to increase awareness of agency expectations and to enhance community outreach efforts.



■ **Information and Resources for Private Forest Landowners:** FS supported the development of [www.privateforest.org](http://www.privateforest.org) by the Nature Conservancy. This Web site provides information and resources to private forest landowners on conservation management and best practices on private forestlands. It has an extensive library and on-line discussion forum.

■ **Urban Area Outreach:** In FY 2001, the Urban and Community Forestry (UCF) program provided direct assistance to 11,021 communities (more than 39 percent of nation's total). States reported that 2,201 communities now have sustainable urban forestry programs (nearly 300 more than reported in FY 2000). Over 1.6 million volunteer hours were generated for tree surveys, planting and improvement activities; for every Federal program dollar allocated, \$3.46 is leveraged in cash or in-kind services.

With leadership from the National Urban and Community Forestry Council, FS initiated a national campaign to create awareness and engage citizens in active volunteer work to protect, establish, and care for trees, forests, and greenspace. The Web site, [www.communitytrees.org](http://www.communitytrees.org), encourages people to "Bring Life to Your Community" through the planting and care of trees.

Digitized satellite imagery and internet mapping were used to assess the condition of the urban forest and critical ecological resources in urban areas to develop comprehensive management plans. This work has fostered a broader understanding of the benefits of urban forests among local policymakers and strengthened local budgets for those programs in Reno, Nevada; Las Vegas, Nevada; Birmingham, Alabama; Colorado Front Range communities; Wilmington-Newark, Delaware; Houston, Texas; and, others.

From declining inner-city neighborhoods to increasingly fragmented rural forests, a new emphasis on linking and managing the Nation's "green" infrastructure will enable the agency and the UCF Program to work effectively across the landscape with other Federal, State, and local partners to contribute to and build more sustainable communities. Opportunities exist, through the UCF program, to put people to work improving their communities through industrial land reclamation and urban forest restoration activities. The partnerships created and fostered by this program have the capacity to coordinate and manage efforts that will result in more vibrant and healthy communities across America.

■ **Support for the National Endowment of the Arts (NEA):** FS has continued the multi-year partnership with NEA to provide grants to underserved rural communities in targeted States/regions that have the potential to combine natural resources, the arts, and rural development. This grant program has been very effective in attracting proposals from tribes and minority communities that do not typically respond to programs associated with natural resource management agencies.

### **Grain Inspection, Packers and Stockyards Administration (GIPSA)**

GIPSA continues its outreach activities to help ensure that farmers, ranchers, and marketers are aware of its services and programs. GIPSA sponsors or participates in outreach activities such as meetings, industry presentations, and conferences that bring the Agency into contact with small farmers and ensures open access to the Agency's information and programs.



- **Minority Science Conferences:** GIPSA participates in, supports and funds the National Minorities in Agriculture Natural Resources and Related Sciences Conference, and the annual Black Farmers Conference.
- **Intern Programs:** GIPSA hires interns from various universities and programs, including the Washington Internship Program for Native American Students, D.C. Federal Jobs Initiative, D.C. Summerworks Program, Washington Internship Program for Disabled Students, Hispanic Association of Colleges and Universities, and the Tribal Colleges Initiative.
- **Scholarship Programs:** GIPSA provides monetary and employment assistance to minority students through the 1890 Scholarship Program, the GIPSA Scholarship Program, and the USDA Public Service Leaders Scholarship.
- **Minority and Small Agri-Businesses:** GIPSA supports and collaborates with the Tennessee Outreach Council providing support to minority and women-owned small agricultural businesses.
- **University Funding Support:** GIPSA provides ongoing support and funding for the Regulatory Science Program at the University of Arkansas, Pine Bluff. Funding provided by the Agency supports curriculum development, faculty, and student recruitment. GIPSA also supports and funds the Beginning Agricultural Youth Opportunity Unlimited (BAYOU) Program at the Southern University and A&M College, Baton Rouge, Louisiana, which provides opportunities for high school students to gain first hand knowledge of the career opportunities in agriculture, and family and consumer services.
- **Native Americans:** GIPSA coordinates the USDA American Indian Higher Education Consortium (AIHEC), and co-chairs the USDA/AIHEC Leadership Group. Through these programs, USDA collaborates with AIHEC institutions and provide technical assistance to Native Americans to enhance the capability of American Indians to attain educational excellence and to contribute positively to the fulfillment of USDA's mission.
- **Educational Materials:** To facilitate and standardize marketing, GIPSA has developed extensive multimedia educational CDs to educate and train producers, official inspection offices, grain handling and processing firms, foreign grain buyers, government agencies, and educational institutions about grain grading.
- **Excess Property Donations to Schools:** GIPSA donates excess property, including computers and laboratory equipment, to local high schools, Hispanic American Colleges and Universities, and Historically Black Colleges and Universities.
- **Hotline:** GIPSA maintains a toll-free telephone hotline (1-800-998-3447) to provide producers with direct access to GIPSA to express concerns, record complaints, or provide information about possible violations of the United States Grain Standards Act, the Agricultural Marketing Act, or the Packers and Stockyards Act.
- **GIPSA Web site:** GIPSA maintains a Web site ([www.usda.gov/gipsa/](http://www.usda.gov/gipsa/)) to provide farmers, ranchers, and others with extensive information on GIPSA's services and programs.



## **Natural Resources Conservation Service (NRCS)**

### **ALABAMA**

- In August 2003, NRCS staff met with leaders of American Indians Tribes in Alabama to raise their awareness of USDA conservation programs. Thirty-six participants from 7 tribes attended.
- In December 2002, the Northwest Alabama Resource Conservation and Development Council (RC&D) worked with the Hunters Helping the Hungry program to process more than 2 tons of venison to feed needy residents. Processors were paid one dollar per pound to process the venison into deer burger.
- In May 2002, NRCS staff and the Poarch Creek Indian Tribe signed an agreement to assure protection of the Tribe's cultural resources, traditional cultural properties, sacred sites, and properties of cultural interest when NRCS plans and implements conservation practices on reservation land.

### **ALASKA**

- In December 2001, NRCS staff co-hosted a 3-day non-timber forest products conference that addressed issues including traditional resource uses, biological sustainability, small business startups, and the social, ethical, and spiritual aspects of non-timber forest products. The conference, held in Anchorage, provided opportunities for landowners, scientists, educators, and community economic development officers to strengthen cultural ties between urban and rural Alaska.

### **ARIZONA**

- In September 2002, NRCS representatives joined officials from across USDA to consult with members of the Navajo Nation. Discussions covered the 2002 Farm Bill, drought, new agricultural technology, rural development, education, homeland security, and agricultural marketing. This Department-wide event, held in Window Rock, was the first time all areas of USDA have formally consulted with a Native American Tribe.

### **CALIFORNIA**

- In March 2003, USDA and NRCS officials joined more than 250 minority, limited resource, and beginning farmers at a Farm Bill Forum in Fresno. Representatives from USDA, the California Association of Resource Conservation Districts, and the NRCS Earth Team volunteers made presentations, staffed booths, and distributed materials. The event was simultaneously translated into the Spanish, Hmong, and Laotian languages. Participants celebrated successes of African-American and Hmong farmers.
- In March 2003, NRCS staff, the agency's Earth Team volunteers, and others hosted a conference on American Indian Education. NRCS presenters described how American Indians gather plants and tend the landscape. Other discussions featured historical horticultural



techniques and products that are still used today by California Indian people to manage land. More than 900 people attended the event held in Santa Clara. The event inspired the Warner Unified School District from southern California to begin plans to set up an American Indian school program in conjunction with the Los Coyotes reservation. School representatives hope to see the program include student-managed native plant projects.

■ NRCS officials and other USDA agencies held a job fair in Fresno that attracted 500 local persons of Hmong and Southeast Asian descent. NRCS worked with local Hmong radio stations and other media to notify the public about the event. Since the fair, NRCS's Fresno office has received many e-mails from job-seekers. NRCS personnel have visited schools and colleges to increase awareness of the agency and its opportunities.

■ NRCS staff and KBIF Radio in Fresno began a half hour call-in program, "Asian American Specialty Crop Radio." The show, hosted by an NRCS soil conservationist, provides Hmong, Mien, and Lao farming communities in California's Central Valley, with soil and water conservation information covering topics like soil texture, drip irrigation, composting, and the 2002 Farm Bill.

■ In July 2002, NRCS staff and California State University at Fresno held an outreach workshop on sticky corn, a specialty crop in Southeast Asia. An NRCS soil conservationist provided translation in the Hmong language and covered workshop topics including plant nutrition, soil testing, drip irrigation, and soil fertility. NRCS staff and volunteers were on hand to help with harvesting and presentations.

## GEORGIA

■ In August 2003, NRCS staff presented 5 pounds of "Trail of Tears" corn seed stock to the Poarch Band of Creek Indians. NRCS grew the corn from rare seed stock propagated from original seed carried by American Indians during the infamous Cherokee Trail of Tears diaspora of 1838-39.

## NEW MEXICO

■ NRCS and the Mescalero Apache Tribe established a Tribal office. The office provides the Tribe easy access to technical assistance, contributing to the Tribe's reputation for outstanding best management practices on its forest lands. A partnership of NRCS, the Tribe, and the Otero Soil and Water Conservation District has led to forest and range improvements on more than 300,000 acres.

The Tribe has two Environmental Quality Incentives Program contracts to complete forest stand improvements and thin juniper in a watershed in order to return water to a large dry spring. The Tribe's conservation efforts are so well known in New Mexico that the State Senate has proposed that a special fund, or joint memorial, be established to support New Mexico's forest health plan.



## **PENNSYLVANIA**

■ NRCS staff in Lancaster County helped Amish farmers improve water quality and the health of their herds. NRCS and its local partners held field days to show Amish farmers how to prevent cows from polluting stream and how removing small dams improves natural stream flow. Workdays have brought together Amish farmers, government agencies, and outdoor organizations to plant trees as buffers along streams to prevent soil erosion.

As farmers have seen improvements in herd health, acceptance for conservation practices has grown. One Amish farmer who worked with NRCS persuaded his neighbors to implement water quality improvement practices. He also has designed and installed his own fish run to maintain fish through the winter and is forming a watershed organization to monitor water quality and promote adoption of conservation practices.

## **SOUTH CAROLINA**

■ In October 2002, NRCS South Carolina Outreach Coordinator met with State leaders of the National Association for the Advancement of Colored People (NAACP) to inform them about 2002 Farm Bill programs and services the agency has for owners of small farms. NRCS distributed farm bill information to the presidents of 85 NAACP chapters in the State.

■ The Edisto Savannah Resource Conservation and Development (RC&D) Council and the South Carolina Department of Social Services provided employed welfare program graduates with used cars at zero-interest loans. Six other RC&D areas in South Carolina have started similar projects. Initially, 85 cars will be placed by September 2005, with prospects for an additional 35 to 40 more vehicles being placed. Clients receiving cars will be responsible for repaying loans, vehicle maintenance, and maintaining adequate insurance on their cars.

## **SOUTH DAKOTA**

■ In August 2002, NRCS, Rural Development, and Farm Service Agency officials met with American Indian leaders throughout South Dakota to discuss the 2002 Farm Bill and how USDA can improve assistance to Tribes. Discussions focused on water conservation practices available through the Environmental Quality Incentives Program.

■ In October 2002, NRCS officials and the Standing Rock Sioux Tribe signed a cultural resources agreement through which the Tribe will be reimbursed by NRCS for all archeological investigations and consultations performed by certified tribal personnel. In return, NRCS will be notified of all findings and retains ultimate responsibility for all cultural resource determinations. This new agreement is the first of its kind between NRCS and a Tribe.

## **Risk Management Agency (RMA)**

■ The RMA has an extensive network of public and private sector partnerships annually generating new market driven insurance products and educational initiatives. This network



provides reinsurance to companies to sale and service 1.2 million policies covering 217 million insured acres, 100+ commodities and provides farmers with over \$40 billion in risk protection (RMA Summary of Business Report, 2003 crop year).

As cited in a USDA press release dated October 8, 2003, RMA Administrator Ross J. Davidson, Jr., said that through these partnerships, “women, minority, limited resource and other traditionally undeserved agricultural producers will receive assistance in understanding and using risk management tools to improve their economic viability.”

■ RMA’s Office of Civil Rights and Outreach ensures equal access and accessibility to small and limited-resource farmers and ranchers. It also collaborates with 1890, 1994, and 1862 Land-Grant Universities, Hispanic Serving Institutions, Community Based Organizations and State and Federal Agencies, to implement initiatives to better serve small and limited resource farmers and ranchers.

RMA has been busy partnering with outreach groups to provide producers with new risk management skills. In 2003, RMA used \$5 million to educate women, limited resource and other traditionally underserved farmers and ranchers through forty-nine competitively awarded partnerships with community based, educational and non-profit organizations.

#### **FY 2003 Highlights-Community Outreach and Assistance Partnerships**

■ **The Second National Survival Strategies for Small And Limited Resource Farmers and Ranchers Conference** was held in San Diego, California, in October 2003. This conference provided a forum for networking and forming alliances between public and private stakeholders to maximize their effectiveness in assisting small and limited resource farmers and ranchers to survive in the current risk environment.

Over 300 participants from Hawaii, American Samoa, Virgin Islands and 35 other states received information on production, marketing, financial, legal, human resources and alternative enterprises from agriculture leaders through 32 workshops. Scholarship participants agreed to coordinate and conduct training at the local level upon returning home and use the materials and strategies they learned at the Conference.

■ **Rural Coalition-Enhancing the Economic Viability of Small Farmers:** RMA provided a 2-hour risk management insurance program presentation at Rural Coalition’s Kick-off Meeting held in Yakima, Washington, which also included a local media press conference that included panel interviews to Rural Coalition representatives and several local small-limited resource farmers and ranchers. Rural Coalition also hosted town hall meetings, workshops, and other events in California and Mississippi. The Coalition is working with insurance industry partners to train insurance agents on the delivery of crop insurance and other products, train partner organizations to develop financial risk funds as a management tool, and to better assist small and limited resource farmers by providing a quality, customer service that is needed.



■ **North Alabama Risk Management Education Program, Alabama A&M University:**

This partnership seeks to increase agricultural producers' participation in crop insurance programs, and to assist them in coping with risk and increasing uncertainty in yields, prices, and overall farm income. Farmers with access to risk management information and the knowledge to use it have the key to profitably operating a farm business. However, many small and limited resource farmers often struggle to find and use relevant information.

The outreach project developed training materials about risk management education and strategies for risk management. A number of training modules and fact sheets for producers and extension personnel have been developed, and can be found at the Small Farms Research Center's Web site at [www.aamu.edu/smallfarmers/](http://www.aamu.edu/smallfarmers/). A total of 56 extension agents and agricultural specialists, and 181 farmers and ranchers have benefited from these workshops. This training has been used to develop alternative enterprises and help sustain family farms.

■ **Georgia Organics-Outreach to Underserved Organic Specialty Crop Growers:** This partnership delivered instructional training to minority, small, beginning, and limited resource farmers on the opportunities in organics as well as in-depth workshops on tools that help farmers with daily production, marketing and financial decisions. Two outreach sessions on the topic of Opportunities in Organic Medicinal Herb Production and Marketing were presented at conferences of partnering organizations that include underserved farmers and agribusiness professionals. The 2004 GORD (Georgia Organics Resource Directory), an important educational and outreach tool for those working with organic and sustainable agriculture, will be published in conjunction with this outreach program at [www.georgiaorganics.org](http://www.georgiaorganics.org).

■ **Fort Valley State University:** The objectives of the cooperative agreement are to develop comprehensive training activities to educate small and limited-resource landowners, and others, as to the current and future value of their land, and to ensure that small and limited-resource farmers, via collaborative outreach efforts, have access to information available to help them manage their land in a sustainable manner.

■ **Federation of Southern Cooperatives/Land Assistance Fund:** The objectives of the cooperative agreement are to provide outreach to African-American, small, and limited-resource farmers on select legal risks they may face that can impact sustained agriculture production and farmland preservation and succession, and to implement a comprehensive outreach program that will give underserved farmers the tools necessary to make sound decisions as they relate to the preservation and succession of their farm operations and land.

The Federation held their 21<sup>st</sup> Annual Black Farmers Marketing Conference and Trade Show in Albany, Georgia, and topics included heir property ownership and land preservation alternatives, land use – enhancing your forestry/farm management on your land, and choosing a business entity for your farm/forestry operation. The Federation provides training sessions in identifying and introducing minority insurance agents to the economics of crop insurance and to the Reinsured Companies that administer agent contracts in an effort to increase minority agent representation.



■ **Women in Blue Jeans Conference:** This organization provides networking opportunities, support, and risk management education for women in agriculture and farmers' wives in the agricultural industry through a 2-day conference. This year's Conference was held in Mitchell, South Dakota, and was a huge success. There were approximately 266 women from 8 different states in attendance. Concurrent sessions included various topics on Agri-business, Family Health, Personal, Leisure, and Home-based businesses. Their brochure stated, "RMA believes in the value of women to successful farms, families, and communities, and is proud to be a partner of the Women in Blue Jeans Committee".

■ **Integrated Pest Management (IPM) Training:** RMA and Michigan State University are partnering to assist small farmers in pest management through a 16-week course primarily geared to blueberry producers in western Michigan. After completion, producers are certified as IPMs. During one of the sessions, RMA addressed various insurance products with special emphasis on the Adjusted Gross Revenue (AGR) product, how to make an insurance decision, and broad based risk management training on how to integrate insurance, marketing and production risks within the risk bearing capacity of the farm. (Note: AGR is an innovative "whole farm" revenue pilot program that provides coverage for diversified cropping systems, along with limited coverage for livestock as part of a crop-livestock operation).

■ **Small Farms Conference in Michigan:** RMA participated in the Michigan Small Farm Conference in Lansing, Michigan, and provided information on crop insurance for small and limited resource farmers. The AGR Pilot or whole farm revenue program in western Michigan was one of the main topics at the meeting and other producers were interested in blueberry insurance coverage.

■ **Organic Outreach: Delivering Demonstration, Peer Mentoring and Buyer Education as Risk-Reducing Strategies for Organic Producers.** This project will:

- (1) Work to expand an organic farmer mentor program;
- (2) Create organic demonstration projects across Minnesota;
- (3) Produce and disseminate organic processing fact sheets to expand value-added and marketing options for growers; and
- (4) Disseminate a diversification option evaluation tool to growers and agricultural advisors. Nonprofit groups, farmer organizations, and a State Task Force will partner with the Minnesota Department of Agriculture on this multi-part project.

■ **Sustainable Agriculture Education (SAGE) Market Development and Land Access for Underserved Specialty Crop Producers:** SAGE is creating and fostering new marketing opportunities in the diverse San Francisco Bay Area by conducting their *Annual Agriculture Roots Fair* and providing a study for Urban Edge Agricultural Parks that are envisioned to serve as multi-functional entities that could provide a stable, yet aesthetic landscape for recreational and educational opportunities for surrounding communities.

■ **Breaking Down Barriers for Hmong-Lao Farmers:** RMA has an ongoing working relationship with Hmong-Lao farmers in North Carolina. In partnership with the Hmong-Lao Assistance Association, Inc., RMA attended the 9<sup>th</sup> *Annual Hmong Conference* and spoke on a



panel discussing USDA farm programs and career opportunities in the Department. In attendance were representatives from the USDA Office of Civil Rights and USDA's National Asian Program Manager. Multiple barriers were broken during this exciting event.

■ **Northern New England Small and Beginning Farmers Conference:** RMA attended this conference supported by the Beginning Farmers of New Hampshire organization. Over 100 new and beginning farmers attended this conference to learn about RMA's AGR program and discuss organic farming issues.

■ **First Annual National Hispanic Farmers and Ranchers Conference:** RMA partnered with The Texas/Mexico Border Coalition to host the *First Annual National Hispanic Farmers and Ranchers Conference* in San Antonio, Texas. Producers primarily of Hispanic origin were invited to participate in this intensive conference. Breakout sessions included topics such as Alternative Enterprises, Financial Management and Environmental Risk Management.

■ **The University of Arkansas** project will provide risk management education assessment and training among *Non-Reservation First Nation Producers*, which will introduce risk management strategies to Native American producers. The project focuses on the Cherokee and Choctaw tribes. After going through the protocol and establishing a dialog with the tribal leaders last year, the project coordinators have put together a great educational handbook entitled "How Risky Are You?" This was distributed to 700 producers.

The handbook allows producers to do a risk analysis of their individual operation, provides specific crop insurance information for Arkansas and Oklahoma, and identifies specific strategies for production, marketing, finance, legal and human risk that are unique to their farming and ranching operations.

## **FY 2002 Highlights-Community Outreach and Assistance Partnerships**

During FY 2002, customized regional and local workshops were held in several regions to deliver proven survival strategies directly to producers. Forty-five competitively awarded partnerships with community-based, educational, and nonprofit organizations used \$3.2 million to educate women, limited-resource, and other traditionally underserved farmers and ranchers.

■ **Team Agriculture Georgia (TAG):** TAG, a partnership comprised of representatives from Federal and state agencies, state educational institutions, and nongovernment agricultural organizations, gives small and underserved producers the opportunity to attend educational sessions with topics adapted to the needs specific to the area surrounding the location of the workshop. TAG sponsored both spring and fall workshops targeting small and limited resource farmers and ranchers.

The education sessions for both the spring workshop in Tifton, Georgia, and fall workshop in Waco, Georgia, addressed topics ranging from obtaining financing to how to market a commodity once it is produced. Nontraditional farming is emphasized. TAG has addressed a growing need in Georgia by delivering a complete set of sessions conducted in Spanish and



providing information useful to Hispanic attendees who are interested in starting a farming operation of their own.

■ **Southern Sustainable Agriculture Working Group (SAWG):** SAWG links over 120 diverse organizations and hundreds of individuals throughout the 13 Southern states of Alabama, Arkansas, Georgia, Florida, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia. The objectives of the cooperative agreement with RMA is to implement a unique and innovative outreach and assistance program to improve the economic viability of underserved small to-moderate producers of organic horticultural products in the South.

Southern SAWG commissioned a production team to videotape two producers who were at various stages of production and marketing and applying specific risk management strategies on their farms to reduce losses and increase profits. The tapes are used as a training tool for other producers throughout the Region.

SAWG also created a highly participatory *Learning Network* of a diverse group of experienced organic horticultural crop producers/trainers; they created written farm profiles of 10 initial *Learning Network* participants for electronic posting to their Web site and use in training venues; and they developed and conducted farmer-to-farmer training at the Southern SAWG Annual Conference and Trade Show in Mobile, Alabama. Three hundred people attended the conference.

■ **Marketing Opportunities for Small Farms in Washington State:** Several regional press releases have recognized RMA's partner, Washington State Department of Agriculture, and the success of the project and the four Farm-to-Cafeteria forums held throughout the State.

Many of the articles shared an overview of the project and the 87-page handbook, "Farm-to-Cafeteria Connections: Marketing Opportunities for Small Farms in Washington State." The handbook explains how to start a farm-to-cafeteria program and includes numerous resources and case studies of successful projects. It is a guide for farmers, food service professionals, and communities, and provides a how-to approach to direct farm selling to school districts, colleges, hospitals, nursing homes, restaurant owners, prisons, and private businesses. Handbooks are available at <http://agr.wa.gov/Marketing/SmallFarm/>.

■ **Heifer International:** This 18-month project with RMA established a Pacific Northwest based office and Immigrant Farming Program Advisory Board, organized a National Immigrant Farming Initiative Steering Committee, and implemented several outreach activities for immigrant farmers in Washington State. One of the most significant elements of the project is the completion of the New Entry Sustainable Farming Program, providing an initial design of the components and analysis for the adaptation for immigrant farming practices.

Currently, with assistance from RMA, Heifer International has plans to extend this project into California. A special presentation on Heifer International and its establishment in the Pacific Northwest was included on a 1-hour TV news magazine show, *Primer Impacto* on Univision TV,



which has one of the highest viewer-ship ratings in the United States and in 12 Latin American countries for American immigrants.

■ **Working with Farm Women to Reach Orchard Families in Crisis (Farm Family Support Network):** RMA, in collaboration with Washington State University Cooperative Extension and local social service representatives in the Wenatchee Valley area, established and coordinated a schedule to provide a resource-support telephone assistance service for area farm producers. Farmers in Chelan and Okanogan counties are eligible for the free confidential consulting service to help them decide how to better manage their farming operation or help in analyzing the farming operation and develop decision making and planning tools needed for success. Producers are advised to contact 1-800-469-2981 to request services.

The project proved to be an added plus for RMA when the BSE (mad cow) outbreak occurred in December 2003. RMA's Spokane Regional Office received numerous inquiries when the outbreak happened and they were able to share with media, politicians, and others about this Farm Support Network, which provides counseling, advice, and resource references to farm families in this crisis.

■ **Fort Peck Tribal College:** This partnership created a Risk Management Education for American Indian Producers "Train the Trainer" Workshop, which was held in Bozeman, Montana. This project provided underserved agricultural producers in the three states region of Montana, South Dakota, and Wyoming with the knowledge, skills, and tools necessary to make informed risk management decisions for their operations. Approximately 20 representatives from various tribes attended.

■ **Tilling the Soils of Opportunity:** This partnership between the Michigan Integrated Food and Farming Systems, Inc., and RMA provided a comprehensive risk management program to traditionally underserved farmers in southwest and western Michigan. This partnership assisted traditionally underserved farmers increase the economic viability of their farming operations by incorporating risk management tools and techniques into their business strategies.

■ **Growing Power - Building Capacity: A Workshop for Limited Resource Farmers** was an intensive hands-on training workshop focusing on risk management strategies for farmers who are short on money, space, and other resources. Approximately 25 limited resource farmers attended each of the workshops conducted at the Growing Power site in Wisconsin throughout the year. Attendees came from as far as New York and California. The 2-acre site contains 6 greenhouses; pens of chickens, ducks, goats, and rabbits; a direct market outlet for local produce; and working demonstrations of aquaponics, beekeeping, and vermicomposting.

An RMA Specialist who attended this training said, "I cannot fully express how impressed I was with Growing Power's program. Through their efforts, RMA Outreach Funds are truly providing training that makes a direct impact on the lives of limited-resource and minority producers." Trainers attended the workshop and gathered information to share with local producers when they return to their communities.



■ **Agriculture & Land Based Training Association (ALBA) Farmer Education Program for Beginning Farmers** is a bilingual, multi-year training curriculum for Spanish-speaking farmers consisting of evening classroom courses, field trips, and field days which include crop planning, soil fertility, land preparation, irrigation systems, weed control, plant nutrition, pest and disease control, packing and post-harvest handling, land evaluation and renting options, and individual farm plans. After successful completion of the program, participants received a ½ acre parcel of land to implement their hands-on and classroom experiences.

■ **Coronado Resource Conservation & Development Area, Inc. - Risks of Developing Agricultural Enterprises on Tribal Land:** Training was provided to give the members of the Tohona O'odham Nation, a rural community of southeast Arizona, the necessary skills to evaluate their agribusiness operations in the development of an operational business plan, obtain crop insurance protection, meet financial obligations, and successful product marketing. The Coronado RCD will be expanding their training to include other training topics such as farmers markets, financing, and USDA programs. Their audience is reaching out to more tribes that include the San Carlos Apache and the San Xavier Nations.

■ **Small Farm Today –19<sup>th</sup> National Small Farm Trade Show and Conference:** This year's theme was "Thinking Outside the Box Sustainability." Ideas and information on income opportunities for the small family farm were presented in 21, 1-hour seminars and 6, 3-hour short courses. Both the traditional and alternative farm enterprises were covered for full and part-time farmers, ranchers and others.

■ **Tufts University -The New Entry Sustainable Farming Project:** This project provided training and technical assistance to new immigrant producers through a mentor farm process. The project has assisted Cambodian, Laotians, Hmongs, and other Asian refugees in Massachusetts to market their native vegetables to some of New York City's finest restaurants managed by the city's top chefs. This ensures that the producers receive top dollar and a consistent market for their products, while the restaurant receives fresh, high quality produce for their dishes. The success of this venture could lead to additional markets in the Northeast.

One of the notable mentors for this Project was Mr. John Ogonowski, who was a pilot on one of the hijacked planes on September 11<sup>th</sup>. As a result of his commitment to this Project, producers continue to use a portion of his home farm as a training site.

■ **Concentric Management Applications - Meat Goat An Alternative Livestock Production as a Tool for Risk Management:** This group developed a model to assist meat goat producers in marketing their product and a tool to provide training on production and marketing meat goats. This analytical tool assists producers in planning strategies that will insure best management practices are in place to manage an effective and efficient operation. The project provided over 30 demonstration projects through the southeast reaching over 450 producers. The success of the project has sparked interest in the western states.

■ **Kentucky State University (KSU) - Small Farmer Risk Management Education Project** has provided educational training to over 1,200 of Kentucky's small producers through one-on-one training (150 producers) and in classrooms, conferences, and churches. In addition to crop



insurance, training is also provided on estate planning, livestock and crop production, record keeping, budgeting, and marketing skills. The University also sponsors a “Third Thursday Thing” Sustainable Agriculture Monthly Workshop at the KSU Research Farm to provide training in all aspects of farming, including crop insurance. By implementing the risk management training offered by KSU, small farmers have reportedly increased their farm income by \$10,000 and reduced their expenditures by an average of \$1,500.

■ **University of Arkansas at Pine Bluff - Risk Management Assistance for Women, Limited Resource and Underserved Farmers in the Delta.** This project provided one-on-one training on financial, production, legal, and marketing risk management strategies to 200 producers. Emphasis was on creating balance sheets for loan applications and establishing a computer database. Producers also received training on analyzing budgets to identify cost of production, and net income per acre and training on utilizing RMA’s “Premium Calculator.”

■ **Virginia State University - Financial Management and Crop Insurance Training for Agricultural Professionals Who Work with Underserved Producers:** The project provided farm financial management training and record keeping using the FINPACK computer software package, and crop insurance training to over 90 agricultural professionals in 3 sessions held across the country. The participants were provided a computer application package so that they could provide onsite farm assistance using a laptop computer. This enabled them to assist about 2,000 producers in developing business plans that may be used to plan, analyze, and implement strategies to improve their financial stability. It also creates a computer record database to be used in securing financial assistance.

■ **Greenmarkets in New York City:** The partnership with RMA allows them to administer the New Farmer Development Project that assists new farmers (primarily Latino immigrants) to acquire farms of their own. The project coordinators provide strategic training in handling of production, financial, marketing, and legal risk associated with farming in the area. The program serves an average of 60 producers a year throughout the New York, New Jersey, and Pennsylvania metropolitan area. The program has helped place over 25 producers on farms and assisted 4 producers in becoming farm owners.

■ **Drake University Agriculture Law Center’s partnership with RMA** has helped establish Food Policy Councils in Iowa, Connecticut, Oklahoma, New Mexico, Utah, and North Carolina, and has drawn interest from several other states. The Councils are made of diverse participants representing nearby agricultural industry and participate in various projects unique to their state.

In addition to helping develop state agricultural policies, the Councils provide opportunities for small and limited resource producers to participate in local and state marketing activities. The Councils also coordinate training opportunities for the agriculture leaders to learn about crop insurance, risk management strategies, and other tools offered by RMA.

For more information on the Risk Management Agency, visit our Web site at [www.rma.usda.gov](http://www.rma.usda.gov).



## USDA National Office of Outreach

The USDA Office of Outreach was established in 1997 to ensure oversight and coordination of USDA's responsibilities in response to listening sessions held around the country. The Office of Outreach provides leadership, coordination, facilitation, and expertise to internal and external partners to ensure equal and timely access to USDA programs for all constituents, with emphasis on the underserved. The Office develops, manages, coordinates, and supports national level outreach initiatives, programs, and activities that provide information, technical assistance, and training to underserved USDA constituents. It also develops and maintains effective vehicles for internal and external coordination and sharing of activities and information, and provides training and technical assistance to the recipients of grants under the Outreach for Socially Disadvantaged Farmers and Ranchers Program (2501 Program).

Representatives of many communities stated that they are often overlooked when information is released about available USDA programs and services. They also stated that USDA agencies do not make use of minority community organizations and media outlets to be sure all eligible participants know about their programs and services. "Cultural barriers prevent the communication necessary for effective delivery of opportunities at USDA."

The USDA Office of Outreach is encouraging and engaging the participation of USDA agencies, traditional and non-traditional partners, as well as the creation of new partnerships and innovative techniques, that will help ensure greater and equal access to all USDA opportunities, programs and services.

### Accomplishments

■ **Agency Outreach Coordinators:** Outreach Coordinators are established in all USDA agencies, and provide ongoing leadership to these Coordinators who are designated by agency heads to plan, lead, and coordinate outreach efforts within their Agency. Additionally, the Office of Outreach reviews agency strategic outreach plans to ensure that they reflect the goals and objectives stated in the USDA Strategic Plan.

■ **Memorandum of Understanding between USDA and Marriott International:** To enhance business opportunities for minority farmers and to expand their business capacity through outreach, technical assistance and training, Marriott International, Inc. (Marriott) and USDA entered into a Memorandum of Understanding (MOU) on March 15, 2004. In this historic venture, Marriott will provide technical assistance and mentoring to participating farmers leading to enhanced production and marketing to the hospitality industry. The Office of Outreach will coordinate USDA and its partners' support for the MOU by identifying financial and other resources, providing information and technical assistance on business development and marketing, and facilitating relationships with USDA agencies and other Federal departments to promote, develop, and assist minority farmers.

■ **Memorandum of Understanding between USDA and Health and Human Resources (HHS):** The purpose of the MOU is to partner with HHS to coordinate policies and activities aimed at improving the economic conditions of immigrants and refugees engaged in farming,



agribusiness, and rural entrepreneurship throughout the United States. HHS has the responsibility for the domestic program or refugee resettlement services that includes case and medical assistance to arriving refugees and a broad range of social services for resettled refugees in the United States for a period under five years. The Office of Outreach will provide leadership and coordination of USDA agencies to provide training and technical assistance on USDA programs and services to refugees. The MOU is in approval status and has not been signed.

■ **Developed the Minority Farm Register:** The purpose of the voluntary Minority Farm Register (MFR) is to create a voluntary listing with names and addresses of minority farm and ranch owners and/or operators. The MFR will be used to target USDA efforts and the effort of its partnerships with community and faith-based organizations, educational institutions and other groups serving minority clientele to promote and establish equal access to USDA farm programs. The Office of Outreach will administer and maintain the MFR cooperatively with the Farm Service Agency. A specific register sign-up form will be issued in English and Spanish. Informational registration materials will be distributed to community and faith-based organizations, educational institutions, and government agencies assisting minorities with land retention and acquisition to ensure the program is widely publicized and accessible.

■ **Regional Grant Writing Workshops:** The Office of Outreach conducted seven regional Grant Writing Workshops to ensure eligible community-based organizations, 1890 and 1994 land grant colleges and universities, Hispanic-Serving Institutions and Alaskan Native Cooperatives have access to grants available under Section 2501 of the Food, Agriculture, Conservation and Trade Act of 1990 (2501 Program). The purpose of the workshops was to enable organizations to develop successful proposals for potential funding through the 2501 Program. These grants are available to eligible organizations and institutions interested in providing outreach, training, and technical assistance to socially disadvantaged farmers and ranchers.

The Workshops were conducted at the University of Texas San Antonio, San Antonio, Texas; Fond Du Lac Tribal College, Cloquet, Minnesota; New Mexico State University, Las Cruces, New Mexico; Prairie View A&M University, Prairie View, Texas; Reedly College, Reedly, California; Imperial Valley College, El Centro, California; and Crown Plaza Airport Hotel, Atlanta, Georgia.

■ **Increased Partnerships:** The Office of Outreach has established strong Partnerships with 1890/1862 Land-Grant Institutions, 1994 Institutions, including Tuskegee University, Indian Tribal Community Colleges and Alaska Native Cooperative Colleges, Hispanic Educational Institutions, other post-secondary educational institutions, community and faith based organizations and other special interest groups that provide training and technical assistance to underserved customers in rural and urban areas. The Office of Outreach facilitates and coordinates training and continuing updates on USDA policy/regulations for partners/stakeholders, assist in planning workshops including coordinating the participation of technical experts, and other pertinent program information from USDA necessary to accomplish workshop objectives.



■ **Environmental Justice (EJ):** The Office of Outreach, along with the USDA EJ Program Manager, represents USDA and participates on the Federal Interagency Working Group (IWG) on Environmental Justice. The IWG is composed of representatives from 14 different Federal agencies and White House offices identified in Executive Order 12898 (“Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” February 11, 1994). The IWG’s primary goal is to work with each Federal agency to integrate environmental justice within its programs, policies, and activities. The Office of Outreach and the EJ Program Manager, through collaboration with USDA agencies, are working with partners to promote local demonstration projects and effectively coordinate and provide information on the range of issues that environmental justice embodies at USDA.

■ **Memorandum of Understanding (MOU) with the National Conference of Black Mayors (NCBM):** The Office of Outreach is the lead in coordinating the implementation of the MOU between USDA and NCBM. to work together to improve communications and the delivery of program resources, to provide technical and management assistance, and to identify new initiatives for those areas served by the NCBM members and other rural areas. USDA has identified rural communities and rural areas that have endured decades of poverty among its key priorities in the delivery of its programs. Many of these areas identified are served by NCBM members.

Outreach has successfully assisted small towns with USDA funding for technology centers, community and recreation facilities, fire houses and equipment, water and sewer projects, court houses and libraries and many other projects. Also, the Office of Outreach is engaged in activities to encourage MOUs between mayors and minority institutions to provide training and technical assistance on economic and business development.

■ **National Program for Food Safety:** The Office of Outreach is working with the Food Safety and Inspection Service (FSIS) to support a seamless farm-to-table national program for food safety. Outreach assists FSIS in its efforts to communicate and disseminate food safety information to underserved customers. This effort supports USDA’s Hazard Analysis Critical Control Points (HACCP) system that was developed to help eliminate pathogens in the U.S. food supply. To increase the number of rural customers receiving access to this information, Outreach and FSIS are partnering with agricultural colleges and universities.

■ **Training and Technical Assistance to Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (2501) Recipients:** These efforts will continue to reduce delinquency rates of current USDA borrowers, bring more producers into USDA loan programs, and increase the net return to small farmers through financial and farm plan improvements, including increased marketing initiatives. This promotes the continued viability of small farms and the retention of ownership. The 2501 Program was transferred to CSREES on August 15, 2002 (Secretary’s Memorandum 1030-51). Outreach continues to serve as liaison and coordinate the close collaboration between 2501 awardees and USDA agencies that administer agricultural programs targeted for outreach activities under these projects.

■ **Small Town Revitalization Task Force:** The Office of Outreach participates in this initiative through the Environmental Protection Agency and the Interagency Working Group for



Environmental Justice. The Task Force is designed to aid Revitalization Projects by providing insight, information, and access to existing tools and resources both within and outside the Federal Government. There are 15 demonstration projects in this initiative. The projects emphasize collaboration among two or more Federal agencies, State and local governments, Tribal Governments, community-based organizations, academia, non-governmental organizations, and industry. Outreach participates as a USDA representative and coordinates programs and services provided by USDA.

■ **2002 Farm Bill Briefings:** The Office of Outreach, in concert with various other USDA agencies and partners such as land-grant colleges and universities and community-based organizations, facilitated 11 briefings in Virginia, Mississippi, Texas, Puerto Rico, Nebraska, Washington, California, South Dakota, Georgia, New York, and South Carolina. The purpose of the briefings was to reach out to all customers to ensure that they have accurate and up-to-date information on USDA programs and services, and changes brought about by the 2002 Farm Bill.

The briefings were designed to cover most of the major programs at USDA for a general audience, with special emphasis on the underserved, socially disadvantaged, and limited resource customers. These briefings enabled USDA to interact with a broad spectrum of customers such as small farmers, ranchers, landowners, municipalities, community-based organizations, universities, and underserved customers - particularly minorities and women - and become a proactive player in marketing its programs and services. The discussions at the briefings imparted and broke down information contained in the 2002 Farm Bill to a degree understandable by the end users.

■ **Special Projects:** The Office of Outreach coordinates and facilitates funding from USDA agencies for grants to the entities to conduct outreach, training, and technical assistance to socially disadvantaged farmers and ranchers. These projects and special initiatives encourage and assist socially disadvantaged farmers and ranchers to operate their farms and ranches more efficiently, and to own and retain land. Outreach provides leadership and coordination for strategic educational and networking conferences with internal and external partners to design proactive strategies to assure a viable future for these farmers.

■ **Internal Partnerships with USDA Agencies:** The Office of Outreach facilitates and coordinates training and continuing updates/sessions on USDA policies/regulations for partners/stakeholders and assists in planning conferences, including coordinating the participation of USDA officials, program specialists, and other Federal partners necessary to accomplish the conference/consultation goals and objectives.

■ **Clearinghouse for Unsolicited Proposals:** The Office of Outreach established Departmental Regulation 4360-002 to set Department-wide policy for Outreach. This regulation allows the Outreach to coordinate all requests from non-Federal entities for USDA financial or equivalent in-kind support to conduct activities involving outreach that would further the USDA mission goals and programs.

■ **USDA Agriculture Census and Enumeration Project:** An informal working group, established with assistance from researchers at Tufts University, has been meeting to establish a



broad network comprised of government, non-profit, universities and other partners. The initial goal was to improve the accuracy of the Agriculture Census regarding new immigrant producers. The group has widened the scope to seek new ways to assure that underserved producers are accurately reflected in the Agriculture Census and other information. The Office of Outreach will clarify research and develop priorities, strategies, methods, and define a scope of effort needed to ascertain the number of farmers in these categories. This initiative is consistent with the intent of the Minority Farm Register. These meeting are ongoing until the 2007 Census.

■ **Technology for Small Towns, Rural Areas, Limited Resource Farmers, Community Groups, and Tribal Communities:** In partnership with the General Services Administration, the Environmental Protection Agency, Departments of Energy, Education, Treasury, Transportation, minority serving institutions and other partners provided over 500 used computers. Training and technical assistance was also provided to small towns, rural communities, and limited resource farmers and ranchers. This is an effort to help this target audience with computer literacy and internet-based applications for management, growth, and development.



## II. Market Development



**Commission Recommendations:** In addition to enforcing fair market practices, the Commission recommended several ways that the USDA could apply its market development programs and resources to bolster the marketing opportunities that are unique to small farms.

Recommendations included an emphasis on cooperative development programs for farmer-owned, value-added enterprises; expansion of direct marketing assistance; interagency efforts to support local and regional food marketing systems between farmers and urban consumers; and an

entrepreneurial education initiative to teach business development and marketing skills for farm- and forestry-based, value-added businesses.

### AGENCY HIGHLIGHTS

#### Agricultural Marketing Service (AMS)

##### Farmers Direct Marketing

■ **Web site:** AMS maintained the “Farmers’ Market” and “Direct Marketing” Web sites and provided technical assistance to consumers and producers through a toll-free telephone service. Approximately, 150 e-mail and telephone requests for assistance were received and handled per month by MSB staff.

■ **USDA Farmers Market Promotion Program Focus Groups.** AMS sponsored and organized two focus groups in October and November 2002 on emerging trends and challenges in the direct marketing of farm products, in partnership with the North American Farm Direct Marketing Association (NAFDMA). The October focus group was held in Washington, D.C., to coincide with the National Association of Farmers Market Nutrition Program conference, and the November focus group was held in Sacramento, California, to coincide with the meeting of NAFDMA’s board. Feedback from the sessions was designed to guide the development of objectives and criteria for the proposed Farmers Markets Promotion Program (FMPP) authorized in the 2002 Farm Bill.

■ **Farmer Market Coalition.** In November 2002, and in partnership with NAFDMA, AMS supported the establishment of the first national alliance of farmers market managers, association



members, and industry supporters, known as the Farmers Market Coalition (FMC). In November 2003, at the annual meeting of the Community Food Security Coalition, which was held in Boston, Massachusetts, AMS sponsored a follow-up organizational meeting for the alliance.

AMS also participated in a similar meeting at the 2003 NADFMA conference in Charlotte, North Carolina. The alliance was established to provide a national organization that individuals involved in farmers' markets could turn to for technical support on operational issues. Since its inauguration in the fall of 2002, FMC has launched its own Web-based forum on the NAFDMA Web site, located at [www.nafdma.com/FMC](http://www.nafdma.com/FMC).

### ■ “How to Direct Market Farm Products on the Internet” publication:

AMS developed this publication to help producers market their products via the Internet by providing tips on how to research the Internet market, set up a Web site, and market products on the Web. Since its publication date in January 2003, more than 2,000 hard copies of this publication have been distributed to interested constituents. A copy of the publication is available from the following link:

[www.ams.usda.gov/tmd/MSB/PDFpubList/InternetMarketing.pdf](http://www.ams.usda.gov/tmd/MSB/PDFpubList/InternetMarketing.pdf).

■ **Updated National Directory of Farmers Markets:** In August 2003, AMS launched a reformatted, more user-friendly version of the *National Directory of Farmers Markets* on the AMS farmers market Web site in August 2003, in conjunction with National Farmers Market Week. The revised directory lists more than 3,000 farmers markets in the United States in alphabetical order by city location.

■ **Mid-Atlantic Farmers Market Collaborative.** In September 2003, AMS staff participated in meetings of the Market Collaborative, which includes representatives from 13 farmers' markets in Washington, D.C., Maryland, and Virginia. The purpose of the newly formed Collaborative is to share ideas, talents, contacts, and materials, in order to enhance the attractiveness of farmers' market venues for both farmers and consumers. AMS contributed to the exchange of information at the meeting, which focused on results from market surveys and promotion/advertising considerations for markets.

### Farmers Market Development

■ **USDA Headquarters Farmers' Market:** During the summer and fall seasons in 2002 and 2003, AMS coordinated the operation of a weekly farmers' market on USDA headquarters property. AMS staff also coordinated schedules and logistics with participating farm vendors. In addition, AMS coordinated the support and operation of seasonal farmers' markets at the Carver Office Building in Beltsville, Maryland; the Bannister Federal Complex in Kansas City, Missouri; and the U.S. Department of Transportation headquarters building in Washington, D.C. Surveys were conducted at the USDA farmers market in the summer of 2003 in order to better understand customer traffic volumes and patterns.



■ **Jackson, Mississippi, Farmers' Market:** In December 2002, AMS staff reviewed existing conditions and established the design criteria and facility requirements for the market. In January 2003, staff presented and reviewed a conceptual design for the market and presented its recommendations to the Mississippi State House of Representatives Agriculture Committee. The expanded market complex is expected to accommodate the sale of products not currently sold at Jackson's existing Mississippi Farmers Central Market, including dairy products, meats, fish, and specialized organic items.

In the summer of 2003, the Mississippi Legislature transferred land for the market to the Mississippi Department of Agriculture and Commerce and authorized \$1.3 million in bonds to fund construction of the farmers market.

■ **Donalsonville, Georgia, Farmers' Market.** AMS provided technical assistance to the farmers market in Donalsonville, Georgia, at the request of the local farmers' cooperative. The cooperative sought assistance in evaluating the suitability of the existing structures for new uses. AMS staff met with local market officials in March and April 2003 to discuss the feasibility of renovating the former State Farmers Market facility. The cooperative manager credits AMS with providing the cooperative information that enabled it to better define its plans and needs, thereby allowing it to secure a USDA Rural Business Development Grant in excess of \$69,000.

■ **Lexington, Kentucky, Farmers' Market:** AMS completed a draft manuscript currently undergoing editorial clearance of a research study with the Friends of the Lexington Farmers Market assessing the feasibility of establishing a year-round farmers market. The study includes a consumer demand analysis, assessment of local farm product availability, and discusses business plan requirements.

■ **Sanford, Florida, State Farmers' Market:** AMS provided technical assistance to the Florida Department of Agriculture and Consumer Services, Division of Marketing and Development, to support the development of the Sanford State Farmers Market, in Sanford, Florida. Staff provided the initial conceptual design and rendering of the proposed facility along with a site survey. The State of Florida and Seminole County governments collaborated to finance the \$466,000 project, and the construction of a new farmers market facility in Sanford has been initiated.

■ **Tuskegee, Alabama, Farmers' Market:** AMS advised municipal officials in Macon County, Alabama on appropriate developmental strategies for the proposed farmers market. The facility is intended to provide a year-round outlet for small, minority and/or limited-resource farmers in the region.

■ **Phoenix, Arizona, Farm Market Project:** AMS initiated a cooperative project with Arizona State University to evaluate the feasibility of creating a year-round wholesale and retail farmers market, featuring Arizona-produced agricultural products that would serve diverse residential and commercial communities as part of the revitalization of downtown Phoenix.



■ **Alameda Wholesale Market in Los Angeles, California:** AMS reviewed design proposals, inspected the project site, and provided advice on market development plans to the management of the Alameda Wholesale Market.

■ **Portland, Oregon, Public/Farmers' Market:** AMS initiated a cooperative agreement with the City of Portland to assess the feasibility of developing a year-round public/farmers market in downtown Portland, Oregon. This study will assess supply and demand conditions affecting the establishment of a year-round facility featuring Oregon-produced agricultural commodities, evaluate the economic viability of the market, and identify specific data related to building design and construction/renovation costs.

### Agricultural Diversity

■ **Export Opportunities for Small Farmers:** AMS developed an initiative entitled United Exports to assist minority, small, and disadvantaged farmers interested in marketing their agricultural and value-added products internationally. AMS has entered into a cooperative agreement with the African American Family Farms, Inc. to identify potential groups of small farmers, initially in Georgia, and connect them with shippers/exporters.

■ **Alaska Seafood Market:** AMS conducted a study with the World Trade Center Alaska to assess the feasibility of developing an Anchorage seafood cooperative market. The objectives of the study were to examine the movement of seafood in South Central Alaska, with an emphasis on fresh and live harvested products. The project investigates the opportunities and potential economic benefits of a wholesale seafood market facility to serve small and medium sized members of the regional seafood industry. A copy of the publication is available from the following link: [www.ams.usda.gov/tmd/MSB/PDFpubList/seafooddistcenter.pdf](http://www.ams.usda.gov/tmd/MSB/PDFpubList/seafooddistcenter.pdf).

■ **Machine Vision Technology Project for Tree Nut Crops in Maryland:** AMS initiated a cooperative agreement with the University of Maryland to develop grading and inspection technology to smaller producers and cooperatives. Machine vision technology has the ability to detect defects and foreign materials that are difficult or impossible to detect by other means. The equipment developed at Maryland is intended to be smaller and less expensive than alternative equipment, and specifically designed to detect defects in higher valued, small acreage tree nut crops, such as black walnuts.

■ **Retail Marketing Prospects for Locally Grown Cut Flowers in Pennsylvania:** In November 2002, AMS implemented a cooperative research agreement with Pennsylvania State University's Cooperative Extension Department to investigate the extent to which retail florists on the East Coast (Massachusetts to Virginia) are interested in establishing direct marketing relationships with local flower producers. Researchers are attempting to identify which quality attributes are most strongly associated with "locally grown" cut flowers, and examine differences in floral procurement preferences among retailers in metropolitan, suburban, and rural communities.



■ **“Mexico’s Changing Marketing System for Fresh Produce: Emerging Markets, Practices, Trends, and Issues”** publication: AMS published a hard copy version of this report in November 2002 in partnership with USDA’s Economic Research Service. The report examines the impact of recent chain store expansion on the Mexican distribution system for perishables and explores the relationship between changing buyer/consumer preferences in Mexico and potential demand for U.S.-origin fresh produce items. A copy of the publication is available from the following link:

[www.ams.usda.gov/tmd/MSB/PubExecSumms/MexicosChangingMarket.htm](http://www.ams.usda.gov/tmd/MSB/PubExecSumms/MexicosChangingMarket.htm)

■ **Weed-Free Hay Marketing Project:** AMS investigated the growth of demand for certified weed-free hay and straw products, in western States in cooperation with the Wallowa County, Oregon, government and examined how this demand might create new marketing opportunities for small to medium-sized farm operations. The results of this project led to the formation in March 2003 of the Wallowa County Hay Growers Association, which seeks to promote the quality and availability of weed-free and premium forage products produced by local farmers. Information about the activities of the Association is available from its newly launched Web site, located at [www.certifiedwallowacountyhay.com](http://www.certifiedwallowacountyhay.com). A copy of the article is available from the following link: [www.rurdev.usda.gov/rbs/pub/Mar04/Mar04.pdf](http://www.rurdev.usda.gov/rbs/pub/Mar04/Mar04.pdf).

■ **Chestnut Marketing Workshops.** AMS presented results of marketing study related to demand for domestically grown chestnuts in the commercial food service sector, in partnership with Michigan State University, at an annual showcase sponsored by the National Association of State Universities and Land-Grant Colleges. The event, held in March 2003 in Washington, D.C., was designed to acquaint Congress with examples of innovative research, extension, and educational programs being offered at these educational institutions in partnership with USDA.

AMS staff also participated in two other nut grower meetings, the Northern Nut Grower Association meeting in East Lansing, Michigan (July 2003) and the Pennsylvania Nut Grower Association Meeting (August 2003), in order to exchange information with industry representatives about recent developments in domestic chestnut marketing trends.

■ **National Workshop on Farm-to-Cafeteria Marketing Issues:** AMS provided financial support to, organized, recruited participants for, and moderated a workshop on “Farm-to-School Marketing from the Producer Point of View” at the first national “Farm-to-Cafeteria” conference, hosted by the Community Food Security Coalition in Seattle, Washington, in October 2002. As part of this activity, MSB staff presented an overview of the marketing opportunities presented by the school food service sector and provided recommendations for successfully marketing locally grown farm products to school food service buyers.

■ **Farm-to-School Marketing Training in Pennsylvania:** AMS shared examples of successful farm-to-school marketing practices at the monthly meeting of the Greater Susquehanna Valley Chamber of Commerce’s Agriculture Committee in Shamokin Dam, Pennsylvania, in June 2003. The committee is interested in launching a pilot project to help Pennsylvania family farmers develop alternative marketing channels with local schools.



### ■ **Market Opportunities for Texas Small Meat Producers and Processors:**

AMS conducted a cooperative research project with Texas A&M University to investigate market opportunities for small meat producers and processors in the restaurant and institutional food service sector. This guide is designed to be a practical marketing tool for any small operator (small rancher/livestock producer, slaughterhouse, or food processor) seeking to pursue or expand niche-marketing opportunities in the value-added meat product sector. A copy of the publication is available from the following link:

[www.ams.usda.gov/tmd/MSB/PubExecSumms/MeatProcessingFirms.htm](http://www.ams.usda.gov/tmd/MSB/PubExecSumms/MeatProcessingFirms.htm).

### **Federal-State Marketing Improvement Program (FSMIP)**

Through this Program, AMS provides matching funds to State departments of agriculture or other appropriate State agencies for a wide range of research and service projects aimed at improving the marketing, distribution, and use of agricultural products.

Funds totaling \$1.347 million were allocated during fiscal year 2002, and \$1.338 million was allocated in fiscal year 2003. Over that period, FSMIP awarded matching funds to the following projects that benefited small, limited-resource and/or minority farmers:

- A \$49,500 grant awarded to the Alabama Department of Agriculture and Industries, in cooperation with Alabama A&M University and Tuskegee University, to determine the market for goat meat in central Alabama and to assess its sales potential for limited resource producers seeking to diversify their operations.
- A \$31,580 grant awarded to the Arizona Department of Agriculture, in cooperation with Arizona State University East, to assess the level of awareness of, and impact on sales, of the Arizona Grown brand among minority consumers.
- A \$98,000 grant awarded to the Arkansas State Plant Board, in cooperation with Winrock International Institute of Agricultural Development, and the University of Arkansas Extension Service, to assist small vegetable cooperatives in the Delta to increase direct sales to local markets by providing management and marketing training to cooperative members.
- A \$54,990 grant awarded to the Kentucky Department of Agriculture, in cooperation with Kentucky State University, to measure the impact of density, temperature, substrate, and salinity on the quality and survivability of live shrimp in transit to urban markets in North America.
- A \$65,000 grant awarded to the Kentucky Department of Agriculture, in cooperation with the University of Kentucky and KyVirtual.com to develop, test, and evaluate Web-based methods of marketing food and agricultural products internationally.
- A \$38,000 grant awarded to the Maine Department of Agriculture, Food, and Rural Resources, in cooperation with the University of Maine, Heart of Maine RC&D, and Maine Gourmet and Specialty Food Producers, to help farm-based producers and processors of specialty agricultural products to expand sales through conferences, trade shows, and organizational development.



- A \$57,000 grant awarded to the Maryland Department of Agriculture to complete a comprehensive supply/demand analysis of the Maryland organic sector, identify opportunities for producers to expand their markets, and complete case studies of three promising organic product markets.
- A \$34,350 grant awarded to the Massachusetts Department of Food and Agriculture, in cooperation with the Wampanoag Aquinnah Shellfish Hatchery, to develop, test, and compare two packaging systems for live bay scallops, and to introduce live product to area restaurants.
- A \$28,350 grant awarded to the Massachusetts Department of Food and Agriculture, in cooperation with the Pioneer Valley Growers Association, to assess the opportunities and challenges of increasing use of locally grown food in private schools in Massachusetts, establish a pilot program with three private schools, and develop a guide for private school food buyers.
- A \$58,920 grant awarded to the Michigan Department of Agriculture, in cooperation with the Michigan Food Processors Association, to identify marketing opportunities for specialty food producers and processors through retail outlets and festivals in high-tourist areas.
- A \$37,000 grant awarded to the Missouri Department of Agriculture, in cooperation with the Jefferson Institute, to create niche options for small-scale growers by fostering new domestic markets for amaranth and buckwheat in the processed food industry and by exploring logistical requirements for export.
- A \$50,000 grant awarded to the Montana Department of Agriculture, in cooperation with Lake County Community Development Corporation and the Northwestern Agricultural Research Station, to help small-scale producers and processors to commercialize their products by addressing their educational needs in the areas of processing, marketing, transportation, distribution, quality, and food safety, and to foster development of a supportive infrastructure in the region.
- A \$61,300 grant awarded to the Pennsylvania State University Experiment Station to foster edamame (non-processed, edible soybeans) as an alternative crop for small farmers by determining the most favorable varieties for cultivation; establishing planting, harvesting, and post-harvest protocols; and investigating acceptance of edamame among consumers and professional chefs.
- A \$50,000 grant awarded to the Puerto Rico Department of Agriculture to complete a comprehensive study on the logistics of delivering locally produced agricultural products to school lunch program cafeterias and to retail outlets across the island of Puerto Rico.
- An \$86,000 grant awarded to the South Carolina Department of Agriculture, in cooperation with Clemson University and the National Nutraceutical Center, to select the best varieties of medicinal herbs for organic production, to develop standardized cultivation and harvesting practices, to conduct field tests, and to evaluate the market for certified botanicals.



- A \$62,900 grant awarded to the American Samoa Department of Agriculture, in cooperation with American Samoa Community College, to develop a comprehensive database on fresh fruit and vegetable supplies, marketing and imports, and to establish a system for collecting the data annually.
- A \$39,000 grant awarded to the Florida Department of Agriculture and Consumer Services to address marketing issues such as packaging, labeling, handling, and consumer acceptance of *nopalitos*, a minimally processed cactus product popular in Mexican cuisine.
- A \$50,000 grant awarded to the Hawaii Department of Agriculture, in cooperation with the University of Hawaii at Manoa, to study the economic impact of factors such as geographic location, transportation rates and regulations, industry structure, and product selection and differentiation on the competitiveness of selected Hawaii agricultural products destined for mainland domestic markets.
- A \$72,650 grant awarded to the Illinois Department of Agriculture, in cooperation with Sustain, a Chicago-based public interest group, to determine the infrastructure and resources needed to support the growth and maintenance of an Illinois-based organic distribution system.
- A \$49,000 grant awarded to the Indiana Office of the Commissioner of Agriculture, in cooperation with Ball State University and others, to evaluate consumer response to web-based direct marketing of Indiana agricultural products, and communicate the findings to producers to optimize their marketing strategies.
- A \$46,500 grant awarded to the Iowa Department of Agriculture and Land Stewardship, in cooperation with the Wisconsin Department of Agriculture, Trade, and Consumer Protection; the Agricultural Utilization Research Institute of Minnesota; and Cooperative Development Services, to conduct market research and a prefeasibility analysis on collaborative approaches to marketing meat byproducts, and to provide business planning and product development assistance to the region's small-scale meat processors.
- A \$50,000 grant awarded to the Maine Department of Agriculture, in cooperation with the University of Maine; Coastal Enterprises, Incorporated; Farms for the Future; the Maine Agricultural Center; University of Maine Cooperative Extension; and others, to explore new marketing channels for the state's dairy farmers.
- A \$22,675 grant awarded to the Maryland Department of Agriculture to help Maryland producers access new direct marketing opportunities in nearby urban markets.
- A \$51,100 grant awarded to the Massachusetts Department of Food and Agriculture, in cooperation with the University of Massachusetts, to foster direct marketing of locally grown ethnic produce to Asian and Brazilian immigrant communities in eastern Massachusetts.
- A \$33,500 grant awarded to the Missouri Department of Agriculture to improve opportunities for Missouri agribusinesses to expand sales to State food service purchasers.



- A \$36,860 grant awarded to the Nebraska Department of Agriculture, in cooperation with the University of Nebraska, to strengthen and expand farmers markets in Nebraska, foster development of a state farmers market association, and provide marketing and business training to producers.
- An \$87,215 grant awarded to the University of Nebraska State Experiment Station, in cooperation with Practical Farmers of Iowa, to develop economically viable direct marketing system models to improve the profitability, efficiency, and competitiveness of small and medium sized farms in the Great Plains region.
- A \$79,070 grant awarded to the New Jersey Department of Agriculture, in cooperation with Rutgers University, to analyze the market for ethnic produce in New Jersey and identify opportunities for producers in the region to supply new products for these emerging markets.
- A \$31,320 grant awarded to the New Jersey Department of Agriculture, in cooperation with Rutgers Cooperative Extension Service of Sussex County, to educate meat goat producers on production techniques and marketing strategies to maximize profitability.
- A \$29,500 grant awarded to the Virginia Department of Agriculture and Consumer Services, in cooperation with the Virginia Green Industry Council, to initiate a comprehensive marketing and educational program for consumers about plants and horticultural services, and to unite the Virginia horticultural industry in a common strategy to promote their products and services.
- A \$77,000 grant awarded to the Wyoming Department of Agriculture, in cooperation with Sheridan Community College and the Wyoming Business Council, to analyze the economic feasibility and practical capabilities of a mobile meat-processing unit.

### Cooperative State Research, Education, and Extension Service (CSREES)

- **A USDA/ARS, CSREES, Department of Defense (DoD), and Gila River Indian Community collaboration is yielding important new biobased products ready to be commercialized:** On June 9, 2004, the History Channel on cable television aired a Modern Marvels episode on rubber, an agricultural raw material that has many important industrial applications. The USDA perspective was presented by Carmela Bailey, CSREES National Program Leader, who described current efforts to commercialize a natural rubber industry based on the southwestern desert shrub called guayule. A small company, Yulex, has licensed ARS technology to extract rubber from the shrub and is investigating the applications of guayule rubber for hypo-allergenic latex products in the medical market.

Both CSREES and ARS have supported guayule research and development for almost 2 decades. In the late 1980s through the mid 1990s, USDA and DoD jointly funded a program to establish a source of natural rubber in the United States. The growing area for guayule in the United States is the Sonoran Desert, and the Gila River Indian Community, south of Phoenix, Arizona, played a key role in this program. (Bailey earlier gave a presentation on this program to the American University-sponsored Washington for Native Students Intern (WINS) Program students in 2002).



DoD entered into a contract with the Gila River Indian Community, traditionally agriculturists who grow cotton, to grow and harvest the shrub. The Indians subcontracted with Firestone Tire and Rubber Company to extract rubber from the plant for the manufacture of military tires, which were subsequently successfully tested on military trucks and aircraft. In addition to rubber, guayule was found to produce a resin that repels termites, and now looks promising as a substitute for the toxic chemicals that are currently used for wood treatments. Both past and current efforts have resulted in useful new products that are poised to enter commercialization. Guayule may offer limited resource farmers on Native American reservations in the southwest another cash crop for added tribal or individual income.

■ **Impacts from FY 2001 and FY 2002 CSREES Initiative for Future Agriculture and Food Systems (IFAS) Grant Program:** Impacts that benefit small and medium-sized farmers were reported in FY 2003 and FY 2004 from 19 projects. A total of \$18.8 million was funded in FY 2000 under the Farm Efficiency and profitability Program Component of IFAS, targeted for small and mid-sized farms. The program in FY 2000 placed the most emphasis on marketing strategies, market development, and farm financial management – with half of the funded projects in these areas. Multiple projects funded in FY 2000 addressed training farmers in marketing (Minnesota, South Dakota, Texas, and Montana); expanding markets, particularly direct marketing (Maryland, Pennsylvania, California, New York, Washington, Oregon, Idaho, Tennessee, North Carolina, Georgia, and Kentucky); and farm financial management (Illinois, Arkansas, and Wisconsin).

Five projects were funded to focus on the “whole farm” approach to improved profitability, with particular emphasis on organic and sustainable farming systems. These programs included organic farming efforts in Maryland, Pennsylvania, New Jersey, Ohio, North Carolina, and Iowa. Targeted small farm initiatives were funded in Iowa, Nebraska, Wisconsin, and Mississippi. A unique and important effort was funded to develop and improve market agriculture in the U.S. Caribbean and Pacific Islands, involving land-grant institutions in those territories.

Issues relating to improved production and marketing systems, and adding value to products, were addressed in two beef cattle projects (Indiana, Michigan, Ohio, Illinois, Kentucky, and Tennessee). Issues relating to the structure of agriculture were addressed in an innovative consortium of service providers that has been formed to assist beginning farmers in New England. In an attempt to retain an existing agricultural industry in the face of global competition, a project was funded to reduce labor requirements and increase profitability of chile pepper production in the Southwest. In a similar manner, research and extension on the production of hybrid catfish in hillside ponds of the Southeast was funded to develop a new source of farm income.

Results are starting to be reported from 15 proposals totaling \$19 million that were funded in the Farm Efficiency and Profitability component during the FY 2001 grant round. Funded projects include value-added horticultural products, season-extending high tunnels for the central Great Plains, tropical mariculture ventures in Hawaii, production systems to improve the profitability of small and economically disadvantaged livestock family farms, enhanced goat production systems for the Southern United States, and collaborative research and outreach for small farm enterprises and community development in the Black Belt South.



## Food and Nutrition Service (FNS)

In response to recommendations 3.26 and 7.11 of the Commission's report, FNS is continuing to pursue several initiatives to assist the Nation's small farmers and to promote program purchases from them. They include promoting "farm-to-school" and "farm-to-cafeteria" projects; expanding the WIC Farmers' Market Nutrition Program (FMNP); administering the Senior Farmers' Market Nutrition Program (SFMNP), and increasing participation of farmers' markets in the Food Stamp Program by enabling them to accept electronic food stamp payments.

■ **The Small Farms/School Meals Initiative:** This initiative, popularly called the "farm-to-school" project, encourages small farmers to sell fresh fruits and vegetables to schools and encourages schools to buy wholesome produce from small farmers. The program involves the cooperation of Federal, State, and local governments, as well as of local farm and educational organizations. Successful farm-to-school and farm-to-cafeteria projects have been implemented in Florida, North Carolina, and California during the past few years.

- (1) **Farm-to-School Marketing Training in Pennsylvania.** In June 2003, AMS shared examples of successful farm-to-school marketing practices at the monthly meeting of the Greater Susquehanna Valley Chamber of Commerce's Agriculture Committee in Shamokin Dam, Pennsylvania. The committee is interested in launching a pilot project to help Pennsylvania family farmers develop alternative marketing channels with local schools.
- (2) **National Workshop on Farm-to-Cafeteria Marketing Issues.** AMS provided financial support to organize and recruit participants for a workshop on "Farm to School Marketing from the Producer Point of View" at the first national "Farm to Cafeteria" conference, hosted by the Community Food Security Coalition in Seattle, Washington, in October 2002. AMS also moderated the workshop. As part of this activity, Marketing Services Branch staff gave an overview of the marketing opportunities presented by the school food service sector and provided recommendations for successfully marketing locally grown farm products to school food service buyers.

### Additionally:

In March 2003, Under Secretary Eric Bost met with farm-to-school supporters, small farmers, and a local school food service director at USDA in Washington, D.C. The participants talked about their programs and requested consideration for a grant program to initiate farm-to-school activities in local school districts to increase consumption of fresh fruits and vegetables by students.

In October 2003, during the National School Lunch Week, FNS officials participated in several events. Emphasis was placed on recognizing the efforts of farm-to-school sites in Washington and California.

In October 2002, FNS staff from Headquarters and the Western Regional Office in San Francisco, California, participated in the National Farm-to-Cafeteria conference, which was held



in Seattle, Washington. The conference was sponsored by the Community Food Security Coalition and included several sessions on developing farm-to-school and farm-to-cafeteria projects.

A publication entitled *Small Farms/School Meals Initiative Town Hall Meetings* provides “how to” information on bringing local producers and local school service staff together for mutual benefit; assisting small farmers in discovering new markets for fresh fruits and vegetables; and giving schools an opportunity to learn how to purchase locally grown fresh vegetables. The publication is available on the Food and Nutrition Service’s Web site at [www.fns.usda.gov/cnd/Lunch/Downloadable/small.pdf](http://www.fns.usda.gov/cnd/Lunch/Downloadable/small.pdf)

**Expansion of USDA’s WIC Farmers’ Market Nutrition Program (FMNP):** FMNP was established by Congress in July 1992 to provide fresh, nutritious, unprepared, locally grown fruits and vegetables from farmers’ markets to Special Supplemental Nutrition Program for Women, Infants and Children (WIC) participants, and to expand the awareness and use of farmers’ markets. Federal funds appropriated for FMNP increased from \$20 million in FY 2001 to \$25 million in FY 2003. In FY 2003, State agencies received over \$3.3 million for the expansion of current programs. This increased funding resulted in a number of State agencies expanding program operations to serve more eligible WIC participants. In addition, FMNP recipients purchased over \$20.8 million worth of fresh produce from over 13,000 farmers at just over 2,800 market outlets authorized to accept FMNP coupons.

For further information, please visit our Web site at [www.fns.usda.gov/wic](http://www.fns.usda.gov/wic).

### ■ **Administration of the Senior Farmers’ Market Nutrition Program (SFMNP):**

The SFMNP is a relatively new program that began in FY 2001 as a pilot program. Grants are awarded to States, United States territories, and federally recognized Indian Tribal Governments to provide low-income seniors with coupons or checks that can be exchanged for eligible foods at farmers’ markets, roadside stands, and community supported agriculture programs. Grant funds may be used only to support the costs of the foods that are provided under the SFMNP; no administrative funding is available.

The Farm Security and Rural Investment Act (the Farm Bill) of 2002 authorizes USDA to develop program regulations. Therefore, FNS is developing regulations to establish the SFMNP as one of the agency’s permanent nutrition assistance programs. This legislation also authorizes \$15 million out of Commodity Credit Corporation (CCC) funds for each of fiscal years 2003-2007.

For FY 2003, grants to operate the SFMNP were awarded to 40 State agencies and federally recognized Indian tribal organizations. These grant awards ranged from nearly \$6,500 to \$1.5 million, for a total of \$16.8 million, which includes \$1.8 million in resources that continued to be available to State agencies under FY 2002 grant agreements.

Our most recent data from FY 2002 indicate that just over 500,000 seniors received SFMNP coupons. Eligible seniors purchased fresh fruits, vegetables, and herbs from almost 11,400



farmers at 1,650 farmers' markets, as well as over 1,550 roadside stands and more than 200 community supported agriculture programs authorized to accept SFMNP coupons.

SFMNP has generated many creative partnerships and collaborations among State Departments of Aging or Elder Services, Agriculture, and Health in the administration of the program. Other successful partnerships have been established with State and County Extension programs, as well as with private nonprofit organizations, to deliver SFMNP benefits effectively to eligible seniors.

For further information, please visit our Web site at [www.fns.usda.gov/wic](http://www.fns.usda.gov/wic).

■ **Increasing Farmers' Market Participation in the Food Stamp Program:** "During the 2003 growing season, 11 states delivered the Food Stamp Electronic Benefit Transfer System (EBT) access via some alternative method other than manual vouchers at farmers' market projects."

Some farmers' markets in Massachusetts, Kentucky, Illinois, Arizona, Hawaii, and Washington used scrip-based or token-based EBT alternatives that allowed food stamp recipients to purchase scrip with their EBT cards at a central Point-of-Sale (POS) terminal to be used for eligible food purchases.

Various farmers' markets in New York, Wisconsin, Arizona, and California pursued the use of wireless POS technology to complete food stamp transactions. Markets in Texas and Kentucky used EBT vouchers cleared through POS terminals to enable recipients to make food stamp purchases. New Mexico experimented with an alternative where recipients received a receipt for a food stamp purchase, which was cleared at a central location through a POS terminal.

By October 2002, all States were required to have EBT in place. Because of contracting and operational delays, several States and territories missed the deadline. However, by July 2004, all States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam delivered food stamp benefits electronically. Since farmers' markets do not have ready access to phone lines and electricity, the infrastructure for accepting EBT payments at these locations does not exist. FNS is currently working with States to test various solutions to these technical problems.

For more information about the Food Stamp EBT System and the EBT Farmers' Market demonstration projects, please visit the Food Stamp EBT Web site at <http://www.fns.usda.gov/fsp/EBT/>.

### **Foreign Agricultural Service (FAS)**

■ **FAS Market Development Programs.** The Foreign Market Development Program uses \$33.5 million from the Commodity Credit Corporation (CCC) to aid in the creation, expansion, and maintenance of long-term export markets for U.S. agricultural products.

For more than 45 years, the program has fostered a trade promotion partnership between USDA and U.S. agricultural producers and processors, who are represented by nonprofit commodity or



trade associations called Cooperators such as the U.S. Wheat Associates, Cotton Council International, and American Soybean Association. Under this partnership, USDA and the Cooperators pool their technical and financial resources to conduct overseas market development activities.

In most cases without a farmer-member cooperative or a further processed business, economies of scale usually limit small individual producers from exporting. A small producer would work with a trade association, U.S. cooperative organization or agricultural business to effectively participate in the export market and market development activities.

The Cooperator Program benefits U.S. farmers, processors, and exporters by assisting their organizations in developing new foreign markets and increasing market share in existing markets. Overseas promotions focus on generic U.S. commodities, rather than individual brand-name products, and are targeted toward long-term development. Approximately 40 commodity groups representing specific agricultural products are eligible and participate in the program. Tobacco and tobacco products are not eligible for participation in this program.

### **Natural Resources Conservation Service (NRCS)**

■ In Alabama, the Ala-Tom Resource Conservation and Development (RC&D) Council identifies niche-marketing opportunities for limited resource farmers. One niche-marketer is Down South Foods, a non-profit enterprise that, thanks to Ala-Tom RC&D, sells produce and specialty meats to Calhoun Food stores. Down South Foods is sponsored by Tuskegee University, Tuskegee Cooperative Extension, and the Alabama Small Farm and Rural Economic Development Center.

### **Rural Development**

#### **Business and Cooperative Programs**

■ USDA's five-year strategic plan for Rural Development includes priority support for small, minority, women, and disadvantaged farmer programs through its Business and Cooperative Programs. The plan includes support for cooperatives and value-added projects for small farmers.

■ Most of the 47 State Rural Development offices have staff with cooperative development responsibilities to administer the co-op development programs.

■ Cooperative staff provides technical assistance to existing co-ops or ones in development. Between 2001 and 2003, 30 percent of this technical assistance was devoted to co-ops serving small and minority farmers. In FY 2003, seven Value-Added Producer Grants went to minority small farm producers.

■ Rural Development's Business and Industrial Guaranteed Loan Program includes a Cooperative Stock Purchase Program for qualified individual farmers. The program provides guaranteed loan assistance to farmers to purchase stock in a start-up value-added co-op.



The Appropriate Technology Transfer for Rural Areas (ATTRA) clearinghouse disseminates information and technical assistance to producers. Nearly 50 percent of ATTRA's customer base is small and minority farmers. The program received \$2.5 million in funding in both FYs 2002 and 2003.

### **Minority Co-op Report**

Research Report Number 194, "Black Farmers in America, 1865-2000, the Pursuit of Independent Farmer and the Role of Cooperatives" is in its second printing. The report takes a look at black farmers in the South, 1865-1932; independent farming initiatives, 1886-1932; New Deal Agriculture; the civil rights movement and co-ops; census figures on farmers and their race, 1900-1997; and promoting independent farm enterprise through co-ops. The report may be accessed online at [www.rurdev.usda.gov/rbs/pub/RR194.pdf](http://www.rurdev.usda.gov/rbs/pub/RR194.pdf). Obtain a hard copy by calling (202) 720-8381.



### III. Market Access and Enforcement



**Commission Recommendations:** The Commission's report, *A Time to Act*, emphasized the need for active government enforcement of market competition as fundamental to the economic opportunity for farms of all sizes and scales. Access to fair and open markets for family farms is perhaps the single most influential factor in determining the future structure of the farm production sector.

*A Time to Act* recommended mandatory price reporting, a response to the Western Organization of Resource Councils (WORC) petition for rulemaking to prohibit captive supplies, consideration of Federal regulation of contracts, and increased staff capacity and expertise to conduct investigations and enforce fair market practices.

#### AGENCY HIGHLIGHTS

##### Foreign Agricultural Service (FAS)

■ The Market Access Program (MAP) uses funds from the USDA Commodity Credit Corporation (CCC) to aid in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products. The MAP forms a partnership between nonprofit U.S. agricultural trade associations, U.S. agricultural cooperatives, nonprofit state-regional trade groups, small U.S. businesses, and CCC to share the costs of overseas marketing and promotional activities such as consumer promotions, market research, trade shows, and trade servicing to benefit U.S. agricultural products. Rural American farmers and ranchers, as the primary suppliers of commodities, benefit from MAP.

MAP activities promote a wide variety of U.S. commodities in almost every region of the world. Agricultural cooperatives and small companies can receive assistance under the brand program. To conduct branded product production activities, individual food companies must provide at least 50 percent of funding. For generic promotion activities, trade associations and others must meet a minimum 10 percent match requirement. Beginning with implementation of the Farm Security and Rural Investment Act of 2002, funding for the MAP program will rise from \$100 million in FY 2002 progressively up to \$200 million by FY 2006.

##### Grain Inspection, Packers, and Stockyards Administration (GIPSA)

GIPSA promotes fair and competitive markets for livestock, meat, and poultry by administering the Packers and Stockyards Act of 1921 (P&S Act). The P&S Act requires prompt and full payment for livestock and poultry. Livestock buyers subject to the P&S Act are required to maintain a bond or bond equivalent to cover their purchases, and livestock auction markets, in



addition to the required bond, must establish and maintain a custodial (trust) account for payment to livestock sellers. Packer and poultry trusts established under the P&S Act give unpaid cash sellers of livestock and poultry growers and sellers first claim to trust assets in the event of nonpayment. The P&S Act and regulations also require subject entities to weigh livestock and poultry accurately.

GIPSA programs also help small farmers of grains and oilseeds by developing and maintaining grading standards and testing methodologies, and by developing and validating testing technologies needed to measure the quality and value of crops and promote open and fair price discovery. With technological advances, including biotechnology, diversifying quality, and value-added crops all having the potential for new market opportunities, GIPSA programs help farmers know the quality of their crops to negotiate a fair market price. GIPSA is also developing a process verification program to facilitate the marketing of specialty crops.

■ **Protecting Integrity:** Federal Grain Inspection Service protects small farmers by investigating alleged violations of the U.S. Grain Standards Act and Agricultural Marketing Act of 1946. These include investigating the use of improper procedures, deceptive or prohibited grain handling practices, false weighing, violating export grain requirements, among others. A violation can result in administrative, civil, or criminal action.

■ **Investigations, Enforcement, and Recoveries:** Packers and Stockyards Programs (P&SP) investigative and enforcement activities include Financial Protection, Trade Practices, and Competition. In the last 2 fiscal years, P&SP opened 3,179 investigations in these areas, closed 2,773 investigations, and recovered some \$64.4 million to producers. Further information can be found in GIPSA's annual reports on the Agency's Web site at [www.usda.gov/gipsa/](http://www.usda.gov/gipsa/).

■ **Financial Protection:** P&SP protects small farmers by enforcing prompt payment provisions of the P&S Act, monitoring custodial (trust) accounts through reports and audits to make sure these accounts are maintained as required, analyzing bond and trust claims, and monitoring regulated entities for solvency and to ensure that these entities maintain adequate bond or bond equivalent for the protection of livestock sellers.

■ **Trade Practices:** P&SP protects small farmers by promoting fair business practices in the marketing and procurement of livestock, meat, and poultry, and determining if unfair or deceptive practices are occurring by auction markets, livestock dealers and order buyers, slaughtering packers, live poultry dealers, and meat dealers and brokers.

■ **Competition:** P&SP protects small farmers by enforcing provisions of the P&S Act that prohibit anticompetitive behavior. P&SP reviews and investigates conduct that fall into two broad categories: pricing and procurement practices, and market participation and behavior, including such issues as attempted restriction of competition, buyers acting in concert to purchase livestock, and price manipulation, among others.

■ **Rapid Response Investigations:** When P&SP determines that potentially serious situations exists that may cause imminent harm to livestock producers, rapid response teams are immediately deployed to investigate. In the last two fiscal years, nearly 100 rapid response



investigations have resulted in more than \$10 million recovered for the benefit of livestock producers and poultry growers.

■ **Swine Contract Library:** GIPSA publishes a Swine Contract Library that provides more transparency about swine contract terms and more access to market information for all market participants. The library provides payment and other contract provisions, by region, from contracts submitted by more than 30 firms operating over 50 plants that accounts for more than 95 percent of federally inspected swine slaughter. Producers and others have the ability to see contract terms including, but not limited to, carcass merit premium/discount schedules, non-carcass premiums/discounts, and contract lengths. The Swine Contract Library can be accessed from GIPSA's homepage at [www.usda.gov/gipsa/](http://www.usda.gov/gipsa/).

■ **Cattle and Hog Assessment Report:** In June, 2002, GIPSA published its annual assessment of the cattle and hog industries as required by the Grain Standards and Warehouse Improvement Act of 2000 (P.L. 106-472). The report assesses the general state of the cattle and hog industries, describes changing business practices in those industries, and identifies market operations or activities in those industries that appear to raise concerns under the Packers and Stockyards Act. This report can be accessed from GIPSA's homepage at [www.usda.gov/gipsa/](http://www.usda.gov/gipsa/).

■ **Statistical Report:** GIPSA publishes the Packers and Stockyards Statistical Report containing data on slaughtering packers, market agencies buying or selling on commission, and dealers buying and selling livestock for their own accounts. The report covering the 2000 reporting year was published in October 2002, and the report covering the 2001 reporting year was published in September 2003. The Statistical Report provides producers with information on the changes in the industry, and can be accessed from GIPSA's homepage at [www.usda.gov/gipsa/](http://www.usda.gov/gipsa/).



## IV. Risk Management



Assurance Program to determine how revenue assurance can be made more appropriate to the needs of small farms.

**Commission Recommendations:** The recommendations in the Commission's report, *A Time to Act*, called for designing crop insurance programs appropriate for diversified farming operations, using sustainable agriculture methods instead of a single-crop focus, and targeting of crop insurance subsidies as defined by the Commission. The Commission also recommended that USDA examine the Risk Management Agency's (RMA) Revenue

### AGENCY HIGHLIGHTS

#### Risk Management Agency (RMA)

RMA has an extensive network of public and private sector partnerships annually generating new market driven insurance products and educational initiatives, RMA provides reinsurance to companies to sell and service 1.2 million policies covering 218 million insured acres, 100+ commodities and provides farmers with over \$40 billion in risk protection (RMA Summary of Business Report, 2003 crop year). RMA encourages producers to become more knowledgeable with the risks they face in their farming operations, which is why RMA has a variety of partners.

"We at RMA place strong emphasis on meeting the risk management needs of American Agricultural Producers," Administrator Ross J. Davidson, Jr., said in an October 2003 press release announcing funds to encourage increased crop insurance participation in 15 underserved states. RMA has been busy partnering with education, outreach, and research groups to provide producers with new risk management skills. Below is a list of these success stories.

■ **New Non-Insurance Risk Management Tools.** In October 2003, \$10.6 million was awarded to qualified public and private organizations for research and development of new tools. For example, the Rodale Institute will develop an enhanced Organic Transition Simulation Model to help farmers analyze a variety of risk factors and costs when considering a transition to an organic farming practice.

■ **Organic Farming Practices:** Since 2001, organic farming practices have been recognized as "...good farming practices". RMA has seen an increase in participation by small organic producers via signup by written agreements – in 2003, 1,200 written agreements were signed by organic farmers versus 956 in 2002, and only 318 in 2001.

■ **Agricultural Management Assistance (AMA):** RMA administers this program jointly with NRCS and AMS for the benefit of farmers and ranchers in 15 States that have been historically



underserved by crop insurance. For FY 2002, RMA used approximately \$500,000 to share the cost of farmer paid premiums. In FY 2003, RMA helped make crop insurance more affordable to small farmers by providing financial assistance to those producers purchasing the following:

- AGR, which is an innovative “whole farm” revenue pilot program that provides coverage for diversified cropping systems, along with limited coverage for livestock as part of a crop-livestock operation;
- AGR-Lite, which was created by the Pennsylvania Department of Agriculture and is a streamlined “whole farm” program; and
- Spring buy-up crop insurance policies.

These programs are available in a limited number of states. For more information, visit the RMA Web site at [www.rma.usda.gov](http://www.rma.usda.gov).

To encourage producers to buy-up to higher coverage levels, RMA paid up to 50 percent of the farmer-paid premium at the 75 percent and higher coverage levels. In total, RMA spent approximately \$15.5 million to assist producers under this program. RMA estimates that producers increased their crop insurance coverage by about two coverage levels.

■ **Risk Management Education (RME):** RMA partners with the CSREES, the Commodity Futures Trading Commission, the USDA National Office of Outreach, and other public and private organizations to deliver risk management education programs to U.S. farmers and ranchers. These programs help producers achieve greater financial stability through the appropriate use of risk management tools. Through its educational efforts, RMA raises awareness of the financial risks in agricultural production and marketing, informs producers of available risk management tools, and increases producers’ skills in using those tools to improve financial stability. Participation in RMA’s educational programs has risen steadily in recent years.

During FY 2003, RMA’s educational partners conducted 1,938 activities. These activities resulted in 42,187 producers receiving risk management training. An even larger number of producers were reached with the risk management information thorough such promotional methods as newsletters, mailings, and media efforts. Small farms represent the vast majority of farm operations reached through these initiatives. The Federal Crop Insurance Act makes funding available for two educational and informational programs:

**(1) Crop Insurance Education and Information in Targeted States:** In October 2003, RMA awarded \$4.5 million and partnered with public and private organizations to provide crop insurance education and information programs in States that have been historically under served by the Federal crop insurance program. The 15 States that are eligible for this program are Maine, New Hampshire, Vermont, Connecticut, Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia, Utah, Nevada and Wyoming. These States have a disproportionately large share of small farmers.



**(2) Commodity Partnerships for Risk Management Education:** In October 2003, RMA awarded \$4.6 million and established partnerships with public and private organizations for the purpose of providing producers of specialty crops and underserved commodities with risk management training. The goal of these projects is to provide farmers and ranchers with the training and information they need to be able to identify the risk management tools that are available for their commodities, know where to obtain these tools, understand how each tool operates, and select the best risk tool.

### **HIGHLIGHTS FROM THE RMA PARTNERSHIP AGREEMENTS IN FY 2003**

■ **Small Farms Program, the University of California:** Provided risk management education for California's small and limited resource specialty crop producers. The goal of this project was to empower small and limited resource producers of specialty and minor crops to reduce risks of economic losses through intensive, targeted risk management educational outreach.

■ **Georgia Young Farmers Association:** Conducted 57 Young Farmer educational meetings throughout the State of Georgia. These training meetings were promoted through various outlets resulting in over 800 farmers of cotton, corn, soybeans, wheat, feeder cattle, poultry, and produce attending. Topics included risk management tools available for use including marketing cooperatives, crop insurance, forward contracting, wait and see strategies, commodity options, and combinations of each.

During the training session, farmers were introduced to the use of technical analysis in helping with pricing decisions. They learned the basics of daily, weekly, and monthly bar charts and practiced identifying trends using up-to-date charting in various commodities. The project was well received and has been effective in getting farmers to take action using either one or more risk management tools.

■ **Agriculture and Land-Based Training Association (ALBA):** Provided small and limited resource farmers a risk management education program in California. ALBA offered subsidized rental of land to Programa Educativo Para Pequenos Agricultores (PEPA) (Small Farmer Education Program) families and former participants. The main commodities that ALBA farmers work with are specialty vegetable crops ranging from arrugula to zucchini, strawberries, and some culinary herbs. ALBA encouraged their students to test new crops and varieties in order to diversify their production and garner new marketing options. The Post-Harvest Handling and Marketing Unit were added to the PEPA program to teach bookkeeping and record keeping, proper packing techniques, and marketing skills.

■ **Texas/Mexico Border Coalition:** Works with small minority farmers, mostly Hispanic producers along the border, and has grown from 33 counties to 37 in 4 years. This Coalition works with small communities in these border counties and enables those in these small rural communities to have a better quality of life, which not only includes agriculture but employment, education, and health. The partnership provided risk management education to Hispanic specialty crop producers.



■ **Alabama A&M University:** Developed a curriculum in risk management education for livestock and specialty crops producers, including fruits and vegetable growers. There were 59 producer meetings conducted in 21 counties, 22 risk management clubs were formed, and over 1,000 fact sheets were developed and distributed to producers, extension agents, and agricultural specialists.

■ **Virginia Department of Agriculture & Marketing Services:** This partnership resulted in a 2-day, statewide Agricultural Summit Conference for farm and agribusiness leaders in Virginia. This conference addressed how producers must evolve their enterprises and enhance their individual expertise to manage and transform their operations in time of dynamic change in agriculture. This conference was well attended by 184 individuals from across the state. Fifty-one of those attending were agricultural leaders/influencers in Virginia.

■ **Farm Research Cooperative, Michigan:** The goal of this project was to improve the use and understanding of risk management tools among specialty crop producers and address the needs of under-served farmers in Michigan. The Michigan Family Farms Conference was held with the theme, “Successful Strategies for Small and Limited Resource Farmers, Ranchers, and Entrepreneurs.” More than 150 producers attended the 2-day conference. Topics included Passing on the Family Farm, Resources for Risk Management, Value-Added Agriculture, and Production and Marketing for Small Farms.

■ **Georgia Fruit and Vegetable Growers Association Project:** Georgia Fruit and Vegetable Growers Association Project provided specialty crop growers with training and information to help them identify risk management practices and production tools that best meet their needs in managing risk. This project included workshops, conferences, and educational tools for specific specialty crop producers. The Southeast Regional Fruit and Vegetable Growers Conference had numerous workshops focusing on grower risk management needs in the areas of organic agriculture, food safety and crop production practices.

■ **Hawaii Department of Agriculture:** Partnered with the University of Hawaii’s College of Tropical Agriculture and Human Resources, the Agricultural Leadership Foundation of Hawaii, and the Hawaii Farm Bureau Federation to provide a risk management education program for agri-entrepreneurs. They conducted the Hawaii Agricultural Conference, which attracted a thousand participants statewide and representatives from major commodity groups within the state.

■ **Northeast Dairy Partnership:** The Northeast Dairy Partnership, which includes dairy specialists from all New England States and New York, have been working to educate farmers on financial risk management and benchmarking concepts. Led by Cornell University, various grower meetings were conducted that emphasized the need for financial records and how to use those records to improve profitability on the producer’s operation.

The Northeast Dairy partner’s first subproject was milk check comparison. Farms would send in a copy of their milk check and the values would be entered into a database. This milk check comparison allows farms to anonymously compare their milk check values with the 10 closest



farms participating in the study. This helps them understand their farm management decisions for milk component production, and their marketing success in negotiating over-order premiums and milk hauling costs.

■ **Midwest Organic and Sustainable Education Service, Inc. (MOSES):** The Training and Resources for Diversified Agriculture project conducted by MOSES developed and implemented training opportunities and resources about organic production, marketing and other tools for accessing new markets for farm products. Training programs and resources offered information on alternatives or complements to commodity agriculture that contributed to stabilizing farm income and moderating agricultural risk.

■ Project partners are generating three deliverables through this project: 1) support of the Upper Midwest Organic Farming Conference and Organic University; 2) support of the Midwest Value Added Conference; and 3) an ongoing development of six specialized workshops, titled “Organic Basics” directed toward Wisconsin community groups on topics relating to organic production and marketing.

■ **Purdue University:** This project consisted of the development of a series of risk management education programs for priority commodities and hog producers in Indiana. One aspect of the program identified existing extension programs that team members are involved in and incorporated risk management aspects. Several presentations were given at the Hoosier Agri-Tourism Conference focusing on “Improving Your Income Potentials.” PowerPoint presentations were also given at workshops including topics such as “New Business Ventures: Opportunities and Risks,” “Getting Additional Value for Your Grain: Risk, Returns, and Contract Issues for Specialty Grains,” “Planning for the Unexpected,” introduction to Livestock Risk Protection for Hogs, etc. Almost 400 producers have been trained so far.

■ **Kansas State University:** The goal of this project was to ensure that an effective program of agricultural risk management education and information is established in Kansas to meet the needs of the state’s agricultural producers. Four workshops, entitled “Farming with the Family,” were conducted to help farm families identify and manage conflict and relationship problems that may have a deep impact on the farm operation.

In addition, 5 additional workshops directed toward agricultural professional mediators and advisors, and a 3-day farm family mediation training for professional mediators and advisors were conducted. Online and telephone-based individual family coaching was offered through the partnership after the first farm family training workshop.

■ **Pennsylvania Department of Agriculture:** This multi-state project provided risk management education and information to farmers and ranchers in Pennsylvania, Delaware, Maryland, New Jersey, and West Virginia. This project helped improve the financial health of small farms, increased producers skill and knowledge of risk management, encouraged the integration of crop insurance into the producer’s risk management tools, and educated young and beginning farmers about the importance of utilizing risk management tools.



■ **Maryland Department of Agriculture:** Increased Maryland producers' awareness and use of crop insurance tools through direct contact at producer organized meetings. Implementation of an intense promotional campaign designed to reach a wide audience of approximately 6,500 producers through newsletters, announcements, press releases, exhibits, and radio has been a huge success.

The Maryland Department of Agriculture also designed a display board that is used during educational meetings and other risk management related events. In addition, the Maryland Department of Agriculture and University of Maryland worked with Scouler County, South Carolina, and the University of Illinois, to develop two Maryland-specific software packages to assist farmers in deciding on the value of crop insurance on their farms.

■ **New York Department of Agriculture and Markets:** A Risk Management Education Team has targeted producers of crops that have typically underutilized new and improving crop insurance products. The New York Team has successfully conducted various AGR and AGR-Lite informational meetings, along with various meetings that demonstrated the benefits of yield and price protection through the Crop Revenue Coverage (CRC) program. The New York Department of Agriculture and Markets developed a compact disk (CD) that highlighted the CRC program for corn and soybean crop insurance decisions. This CD was exceptionally well received at both education sessions and county level FSA offices. There were 2,400 CDs distributed throughout the state.

■ **University of New Hampshire:** This project focused on providing New Hampshire farmers and agricultural professionals with training and information pertaining to: 1) Types of risk reduced by crop and revenue insurance; 2) Full range of crop insurance products available, including pilot programs; and 3) Use of crop and revenue insurance as part of an overall business strategy to manage risks. Special efforts were made to reach small family farms and specialty crop producers.

■ **Michigan Department of Agriculture:** In partnership with several organizations, the Michigan Department of Agriculture reached small and mid-size fruit, vegetable, and timber producers in Michigan through demonstration projects promoting organic farming, display exhibits at the Great Lakes Expo, "Tilling the Soil of Opportunity" workshops, and "NxLevel for Entrepreneurs" workshops. The partnership had a goal of training 1,000 producers and agri-business professionals. However, they exceeded their goal by more than 400 percent, resulting in the training of 4,187 producers and agri-business people.

The "Tilling the Soil of Opportunity" workshop was a 10-session course on NxLevel, designed for agricultural entrepreneurs who have started or are thinking about starting an agricultural based venture not tied to large scale, community-style production. A project partner, the Michigan Organic Food and Farm Alliance (MOFFA), conducted a series of outreach, education, and demonstration projects about creating an organic farm plan for conventional or new farmers.

The Great Lakes Fruit, Vegetable, and Farm Market Expo had the theme on recognizing and managing risks. The project resulted in the publication of "What is Organic: A Practical Guide



to Understanding Organic Food in Michigan,” and “Choosing Local Organic Food—Good Food for the Right Price.”

■ **Florida Department of Agriculture:** Research indicated that limited information and few “grower friendly” tools existed to aid Florida citrus producers in identifying and managing invasive pests and diseases. To address this issue, the Florida Department of Agriculture developed an educational curriculum and conducted producer workshops that identified and provided the necessary tools to detect and identify invasive pests and diseases. The workshops, conducted in six locations throughout Florida, strengthened existing knowledge and provided much needed new risk management information to growers. A handbook was also developed and contained pest and disease information for growers to have readily available while out in their respective groves.

■ **Washington Wine Grape Industry Foundation (WWGIF):** Provided risk management education for grape growers in Idaho, Oregon, and Washington. WWGIF’s goal was to develop an educational effort for all members of the Pacific Northwest wine and grape industries to identify, understand, and access risk management tools associated with the production, marketing, financial, legal, and human resource aspects critical to sustaining and growing a viable, value-added industry. The project identified current risks, determined the tools that were available to manage those risks, and explained how risk management could be used to protect a grape grower’s investment.

■ **University of Illinois:** Was involved in an educational program consisting of description of crop insurance products, historic crop insurance payments, and advice on combining crop insurance products with marketing contracts. Software, called the “Payout Estimator,” was developed which gave representative insurance payouts for alternative multi-peril products for the years between 1972 through 2001 for corn and soybeans in all counties of Illinois. More than 500 producers attended the workshops conducted at 8 locations.

■ **Market Data, Inc.:** This project provided risk management and new Farm Bill information to specialty crop producers and agricultural professionals in western Kansas, eastern Colorado, Southwestern Nebraska, and western Oklahoma, with a priority for producers of wheat, corn, grain sorghum, soybeans, sunflowers, native hay, dry beans, oats, barley, rye and cotton. Twenty meetings were held in the 4 states and total attendance was 330 people. Four inter-active Web site tools resulted from this project that allows producers nationwide to enter their own figures to generate their own risk management reports. The Web site is [www.marketdatainc.com](http://www.marketdatainc.com).

■ **University of Arizona:** A key objective of this project was to enable cow-calf, specialty crop, and forage producers in Arizona to more fully utilize the power of the “computer chip” and Internet to make better risk management and overall business decisions. The producers received 4 to 6 hours of intensive, “hands-on” training sessions using applicable software tailored to their local conditions and commodities they produce.

Producers were also taught to evaluate risks related to restocking and financial calculations regarding how much ranchers can afford to pay for livestock of better genetics (e.g., carcass



quality traits, fertility). Educational sessions were delivered to specialty crop and alfalfa forage crop producers.

■ **Colorado State University:** The goal of this project was to ensure that an effective program of agricultural risk management education and information was established in Colorado to meet the needs of Colorado agricultural producers. The project consisted of a series of meetings throughout Colorado, utilizing materials and programs already developed. Working with partners, a team of education professionals from Colorado State University utilized material from the “Risk and Resilience in Agriculture” project and the “Right Risk” simulation program to teach risk concepts and help producers implement management strategies.

■ **South Carolina Nursery and Landscape Association:** This project provided training, information and resources to nursery growers and landscapers to reduce risk and aid them in growing high quality product, using environmentally sound methods. A 1-day grower risk management seminar program was also organized. The full day program featured topics and speakers who assisted growers in managing and reducing risk on their nurseries and farms. In addition to the seminar and trade show program, a bi-monthly publication “The South Carolina Nurserymen” will featured FCIC fact sheets and other instructional materials to reinforce presentations and training programs conducted at the seminar and trade show.

■ **Idaho Cattle Association (ICA):** RMA provided risk management education for beef producers. ICA partnered with the Idaho State Department of Agriculture (ISDA) and various accounting, legal, insurance, and marketing professionals who work with livestock producer clients. The partners worked together to improve upon a program to provide drought management and forage management information to all individuals in the state who graze livestock on federal, state, or private land.

#### **HIGHLIGHTS FROM THE RMA PARTNERSHIP AGREEMENTS IN FY 2002:**

During FY 2002, RMA awarded 72 partnership agreements and \$3.7 million to benefit specialty crop producers with State Department of Agriculture, Universities, grower groups, and private agribusinesses. RMA also established partnership agreements in the 15 historically underserved states (see FY 2003 for list) totaling \$1.8 million.

■ **Center for Rural Affairs:** The Center for Rural Affairs, in FY 2002, partnered with the University of Nebraska and conducted a project entitled “Taking Agriculture Commodity Risk Management Options to Beginning Farmers and Others in Nebraska.” Beginning farmers of wheat, corn, grain sorghum, barley, and oats were provided information on risk management tools. Five seminars were held around Nebraska attended by 104 farmers. Up-to-date and comprehensive package of information, including real farm examples, were distributed to 500 individuals to help in minimizing production risks. Drought management seminars were also conducted attended by producers and lenders.

■ **New England Small Farm Institute (NESFI):** The New England Small Farm Institute provided crop insurance education and information programs for farmers in Massachusetts. NESFI along with the Massachusetts Department of Food & Agriculture, and the University of



Massachusetts, at Amherst Center for Agriculture developed a risk management curriculum that focused on crop insurance appropriate for established and developing Massachusetts' farmers. They also created and implemented a multi-pronged outreach campaign that promoted crop insurance.

■ **Kerr Center for Sustainable Agriculture, Inc.:** The Kerr Center for Sustainable Agriculture, Inc., in partnership with RMA and the Oklahoma State Department of Agriculture, sponsored a 2-day conference, "Future Farms 2002: A Supermarket of Ideas." Over 50 speakers discussed risk management tools, government programs, marketing initiatives, and specialty crop diversification. More than 500 people attended the conference; more than 60 percent of the participants were specialty crop and/or underserved producers.

■ **MOSES-Upper Midwest Organic Farming Conference:** MOSES is best known for organizing the largest organic farming conference in the country in LaCrosse, Wisconsin. Funding from RMA allowed for the creation of a Risk Management Fact Sheet on organic farming, an update of the Upper Midwest Organic Resource Directory, sponsorship of this Conference and Organic University, and scholarships for individuals to attend. Over 1,400 people attended the 2002 conference, which featured 48 workshops.

■ **Pennsylvania Department of Agriculture:** Hosted a joint extension/crop insurance and Ag credit industry conference, which identified producers' needs and provided the blueprint for the Targeted State program. In addition, 109 crop insurance workshops were held, providing an overview of crop insurance and its benefits, as well as information on specific products such as Pennsylvania's newly developed AGR-Lite product. Presentations reached an estimated 4,850 growers and industry professionals.

■ **Nevada Department of Agriculture:** A significant number of Nevada producers are not aware of crop insurance plans available in the state, and many of Nevada's producers are small and produce specialty or "niche" crops. The Nevada Department of Agriculture partnered with Cooperative Extension, the Nevada Farm Bureau, Nevada Commodity Groups, and other agribusiness entities to help raise awareness of crop insurance and deliver information to producers.

■ **New Jersey Department of Agriculture:** The New Jersey Department of Agriculture In coordination with Rutgers Cooperative Extension, conducted crop insurance education and information programs for New Jersey Farmers in 2002. "The Garden State Crop Insurance Education Initiative" is the name developed to promote the program in New Jersey. Key information and crop insurance were provided to producers through 4 newsletters that targeted farmers with \$5,000 or greater annual sales of agricultural commodities.

"Make Crop Insurance Part of Your Business Plan" was used as the theme for the newsletter. Over 400 producers were trained. The key element of the educational program was the one-on-one interaction with farmers. As a result, farmers purchased insurance protection for approximately one-third of New Jersey's 526,000 acres of cropland.



■ **New York State Department of Agriculture and Markets:** The New York State Department of Agriculture and Markets, led a project to teach farmers how to develop a risk management plan that focuses on the use of crop insurance tools and products. The New York Risk Management Education Team, in conjunction with U.S. Apple personnel and RMA, conducted four apple meetings across the State of New York to explain to producers the Apple Quality Option Pilot crop insurance program. These meetings had a dual purpose of educating farmers on this underutilized program and collecting feedback on potential improvements to the apple program.

■ **Practical Farmers of Iowa (PFI):** PFI is a non-profit, educational organization that began in 1985 in Iowa and neighboring states. At their Annual Conference, sponsored by RMA, topics included challenges in marketing to Institutional food markets, cooperative marketing strategies, and liability/legal issues. RMA presented an overview of an organic program, nutrient best management practices pilot program, and other crop insurance issues. Approximately 70 producers, Extension and University educators took part in concurrent sessions.

■ **Utah State University (USU):** Partnership included: 1) further the development of a Web site, 2) development of crop insurance decision aids for Utah farmers, 3) evaluate and adopt risk management programs and 4) conduct workshops for Utah producers. More than 700 producers attended the workshops and meetings that USU hosted.

The Web site address is <http://extension.usu.edu/agribusiness>. The decision aids were developed using the budgets, prices, and production for the following crops: alfalfa, wheat, barely, oats, irrigated corn, dry beans and tame hay. USU envisions Utah producers using the decision aids to determine if such alternatives as purchasing crop insurance may be profitable. Also, USU evaluated and adopted risk materials for livestock and hay producers.

Approximately 75 percent of the total agricultural receipts in Utah are from the sale of livestock or livestock products. Hay is the most common and important crop produced in Utah. Most of the insurance related extension programs that have been developed are oriented toward the production and marketing of grains. As a result, the adoption of risk management materials that address the problems faced by Utah farmers was sorely needed.

■ **West Virginia Department of Agriculture:** Many West Virginia farmers have not participated in crop insurance because there were no programs to serve more than 50 percent of its producers, the livestock farmers. Therefore, the primary objectives of the Partnership is to educate the agricultural producers and those who serve them about the full range of risk management activities including crop insurance, debt reduction, production diversification, farm resources, risk reduction, futures and options, agriculture marketing and trade, cooperatives, and other risk management strategies.

The West Virginia Department of Agriculture, working with the WV University Extension Service, conducted 22 cost per unit of production workshops and several crop insurance, legal risk, environmental risk and human risk classes, attended by 3,240 farmers.



For more information on the Risk Management Agency, please visit the Web site at [www.rma.usda.gov/](http://www.rma.usda.gov/).



## V. Conservation



**Commission Recommendations:** In its report, *A Time to Act*, the Commission recommended that the NRCS and other appropriate agencies conduct local educational seminars for small and traditionally underserved farmers and ranchers to explain agency programs, including the environmental and economic benefits derived from the programs.

The Commission also recommended that farm policy should reward responsible stewardship

and care of natural resources including the land, water, and air.

### AGENCY HIGHLIGHTS

#### Cooperative Research, Education, and Extension Service (CRSEES)

■ **Diverse Small Producers Benefit from the USDA/CSREES SARE Program:** Through a nationwide grants program, the Sustainable Agriculture Research and Education (SARE) program works to advance a more profitable, environmentally sound agriculture that is good for communities. Since the National Commission on Small Farms report, SARE has awarded dozens of grants that focus research and education efforts on achieving those goals for small farmers. Here are just a few:

- To improve the quality of life of small farmers throughout Kentucky, SARE funded an ongoing series of educational events at Kentucky State University (KSU). Reliant upon agricultural demonstrations, the “Third Thursday” events have introduced thousands of Kentuckians to profit-making, sustainable farming techniques. Over 6 years, KSU’s Marion Simon and others brought about 2,500 people through the university’s research farm, up to 400 per field day, to see demonstrations of aquaculture, apiary production, organic fruit and vegetable production, sustainable forestry, grain storage, goat production, warm-season grass demonstrations, and composting, among other topics. The success of the Third Thursday program has spawned a sister effort at Tennessee State University known as the Third Tuesday training program.
- Once a week, members of the Pembroke Farmers Cooperative in central Illinois bring their vegetables and sustainably raised meat in a refrigerated truck to the Austin farmers market in Chicago, 70 miles away. The young cooperative, started in 1999, has grown from a few members to more than 20, all eager to maximize the market potential for their chemical-free vegetables. Many members also raise chickens using range methods that justify their “natural” labeling claims. Range chicken production has increased partly thanks to two SARE farmer grants, which helped Pembroke producers perfect free-range and pen



methods for raising poultry. With little money – even buying seeds at the beginning of the season was challenging – farmers in Pembroke saw the advantage of pooling their limited resources. When two received SARE grants to study raising chickens outdoors, they shared their new practical experiences with others in the community.

- Residents of the Rosebud Lakota Reservation in south central South Dakota, facing more hurdles than most growers, have embraced family gardening. With help from three SARE grants, many beginning Rosebud gardeners not only grow enough food for their families and neighbors, but also supply a budding gardeners' market in a rural area devoid of many healthy food choices. With the first two grants, community leaders helped spread knowledge about gardening and beekeeping through informal get-togethers. The harvest from several families' table-sized garden plots, developed with help from SARE-funded program assistants from within the community, was bountiful enough to share with neighbors in reservation housing clusters.

To spread the gardeners' success to the rest of the community, community leaders received a third SARE grant to organize the gardeners' market at the reservation's traffic light, the only fresh market for hundreds of miles. Eight vendors served the market in 2003, earning a \$10,000 profit.

- Several SARE publications produced from 2002-2004 add to the sustainable agriculture information available to help the Nation's small farmers. These include: *Meeting the Diverse Needs of Limited-Resource Producers: An Educator's Guide* (2002); *"Estrategias Economico-Ambientales en la Crianza de Cerdos"* (*Profitable Pork: Alternative Strategies for Hog Producers*, 2004), the sister companion publication in Spanish to the English version produced in 2001; *Profitable Poultry: Raising Birds on Pasture* (2002); and *Reap New Profits: Marketing Strategies for Farmers and Ranchers* (2003).

## **Farm Service Agency**

In response to the Farm Security and Rural Investment Act 2002 (2002 Farm Bill), FSA prepared two programmatic environmental impact statements (EIS) to evaluate potential environmental impacts from the Conservation Reserve Program (CRP) and Emergency Conservation Program (ECP) as required by the National Environmental Policy Act. Part of the EIS process included a series of six public meetings across the country to solicit input concerning CRP and ECP from other Federal, State, and local agencies, as well as from FSA customers. The scoping meetings and other outreach efforts, including Federal Register and national newspaper notices, a toll-free telephone number, and e-mail account allowed FSA to explain proposed CRP changes and educate producers about the program.

As part of the CRP EIS, the FSA staff analyzed the possible levels of participation by limited-resource and small family farms in CRP (see Appendix 4, Figure 2).



■ Conservation and Environmental Programs Division (CEPD) is striving to continue to provide useful and timely information to producers. One example is the new environmental and cultural resources Web site, which provides easy access by farmers to environmental documents, laws, and fact sheets.

■ **Mississippi:** In January 2003, FSA donated a 400 acres inventory farm located in Hinds County, Mississippi, to the National Park Service. The donation was motivated by the number of significant historic resources on the property associated with the Vicksburg Campaign of the Civil War.

The signing ceremony was attended by numerous dignitaries including the National Park Service Director, Assistant Secretary of Agriculture for Administration, FSA Administrator, Mississippi State Executive Director, Advisory Council on Historic Preservation Chairman, Natchez Trace Parkway and Vicksburg National Military Park Superintendents, and the mayor of Raymond, Mississippi. In addition, many local citizens attended the ceremony and learned about the tourism opportunities that expanding the Park will create for the local rural community.

■ **South Carolina:** FSA worked with Mr. Richard Crump of Satterwhite Farms, Newberry County, South Carolina, to install buffers on his farms. Mr. Crump is the owner of a purebred Angus beef cattle farm and is the County Office Committee's (COC) minority advisor in Newberry County. He had a continuous CRP riparian buffer installed, as well as, a well through the FSA ECP program. He is thrilled with the conservation programs. He stated during a recent tour of his farm that having a quality supply of water has provided health benefits for his cattle. Animal health improvement is an issue that FSA can use to promote continuous CRP.

## **Natural Conservation Resources Service (NRCS)**

### **ALABAMA**

■ With mapping assistance from NRCS, the Echota Cherokee Tribe developed interpretive trails, a museum and cultural center, an outdoor education center, an amphitheater, and a replica of a 17<sup>th</sup> Century Cherokee village on a 50-acre site in Cullman County. Native and herbal plants along the trail illustrate Indian medicine lore and teach students how to protect stream banks, reduce erosion, and provide wildlife habitat.

■ NRCS and the Lowndes County Soil and Water Conservation District helped the owner of a small cattle farm in Haynesville make his operation more productive and profitable. Pasture was divided into 2, 20-acre sections to help control overgrazing and spread renovation costs out over a 2-year period. The landowner received cost shares to pay for the renovation. Through these efforts, the landowner now has better pastureland that helps produce higher profits and plans to maintain productivity by good grazing management.

■ The NRCS Andalusia Field Office helped a Covington County landowner increase water quality and quantity on a long-neglected cattle operation. NRCS and the landowner developed a 5-year conservation plan that is now boosting water supplies, preventing erosion of stream banks



at cattle crossings, and keeping animal waste out of his stream. “What we did, we needed to do,” the landowner said of the project. “I’m so glad to have the cows out of the stream. We have a better water supply for the cattle, and we have taken care of the erosion problems.”

## **HAWAII**

■ Through the Environmental Quality Incentives Program, NRCS developed a conservation plan and installed conservation practices that prevent gullies from developing on a 50-acre banana farm in Lahaina. The project also prevents sediment from entering nearby waterways.

## **KANSAS**

■ NRCS officials, the Potawatomi Tribe, and Kansas State University designed and installed a drip irrigation system for fruit orchards on Potawatomi reservation land. This low-volume irrigation system allows regular watering of grapes, raspberries, blackberries, apples, and cherries. It also reduces production time and labor, resulting in more productive and cost-effective enterprises.

## **MONTANA**

■ In March 2003, five NRCS plant materials centers (PMC) in the agency’s Northern Plains and Midwest regions began tests of sweetgrass, a plant culturally significant to American Indian Tribes that may help landowners prevent erosion in northern climates. Sweetgrass is being tested for its ability to survive in northern climates, as well as its vigor and leaf length. It can produce up to 4,000 pounds of dried leaves per acre. Sweetgrass is used in religious and spiritual ceremonies by American Indian Tribes and for basket weaving, aspects of the plant that the PMC in Bridger, Montana, will use in the bicentennial celebrations of the Lewis and Clark Expedition.

## **NEW MEXICO**

■ Through the Environmental Quality Incentives Program (EQIP) and planning by Federal and State agencies, the Acoma Indian Tribe, land managers, and land users, the 520,000-acre Acoma Indian Reservation in northwest New Mexico boasted knee-high grass during 2003’s drought.

EQIP made it possible to plan for the long term through funding for implementing solar-powered water pumps, fiberglass troughs and storages, pump jacks, pipelines, and intensive grazing management. This project has created better working relationships, enhanced cultural awareness and sensitivity, and increased understanding between Federal, State, and Tribal agencies.

■ NRCS and owners of a family farm in Lyden save irrigation water and increase apple and peach production through EQIP. An inefficient irrigation system that had the potential of contaminating ground water along the Rio Grande River was replaced with sprinklers. The new system has improved irrigation efficiency by 50 percent. Orchard trees were planted every 6 feet in rows spaced 12 feet apart. These measures are expected to help the orchard reach its full potential in 3 years, with production of 1,000 bushels of apples and 800 bushels of peaches per acre.



## **NORTH DAKOTA**

In December 2002, North Dakota's Mandan, Hidatsa, and Arikara Tribes planned and designed a 1,000-mile municipal, rural, and industrial water system, with assistance from NRCS. The agency provided technical and financial assistance for design and installation of livestock pipelines. The project, set for completion in 2012, will protect more than 300,000 acres of grazing land from overgrazing.

## **TEXAS**

NRCS officials designed a plan through the Wetlands Reserve Program to convert a 20-acre section of a family-owned dairy farm in Hopkins County to wetlands. Once complete, NRCS and the owner expect the project to attract birds and water fowl. The owner, a longtime advocate for family farmers, will open the area to the public. He considers the project to be a tribute to his family and friends.

## **WASHINGTON**

NRCS, and a consortium of Tribes in Washington State, struck a compromise between farms and fish. A Wetlands Reserve Program (WRP) project to be undertaken by the Tribes will replace tide gates that prevent salt water and salmon from entering a channel used as a water source by a farmer in La Conner. The 100-year-old gates will be replaced with gates that allow some salt water and salmon into the freshwater channel. The Tribes hope to create 5 miles of salmon habitat. Sixty percent of the \$285,000 needed for the project will come through WRP.



## VI. Credit and Finance



**Commission Recommendations:** The Commission wanted USDA to disallow nonfarm corporations to become direct competitors with farmers in agriculture production (recommendation 3.17). It also recommended that Rural Business Service (RBS) revise Business and Industry (B&I) regulation 4279-113(h). In addition, the Commission wanted RBS to strengthen bank use of B&I loan programs (Recommendation. 4.10) and wanted RBS to conduct outreach for the Intermediary Re-lending Program (IRP) through regional and national conferences (recommendation 4.11).

### AGENCY HIGHLIGHTS

#### Farm Service Agency (FSA)

■ FSA provides loans to family size farm operations, as required by law. The chart below shows the types of loans and amounts approved by FSA in FY 2002 and 2003:

	<b>FY 2002</b> <b>Dollars in</b> <b>Billions</b>	<b>FY 2003</b> <b>Dollars in</b> <b>Billions</b>
<b>Loan Amounts</b>		
Direct Operating Loans (OL)	\$ 668	\$ 690
Guaranteed OL Regular	\$1,053	\$1,013
(Interest Assistance)	\$ 496	\$ 418
Direct Farm Ownership	\$ 178	\$ 169
Guaranteed Farm Ownership	\$1,101	\$1,231
Emergency	<u>\$ 58</u>	<u>\$ 96</u>
TOTAL	\$3,554	\$3,617
<b>Number of Loans</b>		
	<b>FY 2002</b>	<b>FY 2003</b>
Direct Operating Loans	14,623	14,756
Guaranteed Operating Loans	6,733	6,576
(Interest Assistance)	2,729	2,213
Direct Farm Ownership	1,521	1,453
Guaranteed Farm Ownership	3,905	4,198
Emergency	<u>949</u>	<u>1,479</u>
TOTAL	30,460	30,675



- As required by law, FSA targets a percentage of loan funds to socially disadvantaged applicants (SDAs), who are defined as minorities and women. In FY 2003, loans to SDAs increased by 13 percent over FY 2002. Loans to minorities alone increased by 7.5 percent.
- On January 8, 2002, FSA published a final rule to simplify and streamline the procedures to apply for and make emergency loans.

## Rural Development

### Business and Cooperative Programs

- Rural Development is revising its Business and Industrial (B&I) loan regulations, strengthening bank use of B&I programs and conducting outreach for the Intermediary Re-lending Program through regional and national conferences.
- The option of purchasing stock in a start-up value-added cooperative has been available under the B&I program, but revised regulations to be published in FY 2005 will make it much easier for small farmers. Additionally, a Cooperative Stock Purchase Program brochure is available from Business Programs.
- By May 2004, \$22.8 million in competitive grants will become available to purchase renewable energy systems and make energy improvements for agricultural producers and rural small businesses.

### How B&I Guaranteed Loans Helped

- **Colorado, Montana, Nebraska, and Wyoming—Cooperative Stock Purchase Loan:** USDA guaranteed over \$10 million in Wells Fargo Bank loans to help the Rocky Mountain Sugar Growers Cooperative get started, allowing 485 sugar beet growers to purchase stock in the new co-op and keeping existing refinery plants operating in 4 states.
- **California—B&I Guaranteed Loan:** USDA guaranteed a loan for F.B. Fisheries, a minority-owned aquaculture farm in the Riverside County Empowerment Zone producing tilapia fish. USDA's guarantee and leveraged outside funds created 14 jobs, saved 5 others, and allowed purchase of 30 additional tanks and other improvements.
- **Montana—Intermediary Re-lending Program:** Hahn Ranch Feed and Supply is a 2000 startup that quickly outgrew their first location. USDA's revolving loan fund, plus outside funding, helped the firm relocate, add storage, and increase inventory. The expansion increased their gross sales to more than \$1 million in 2003 and created five new jobs.

### Utilities Programs

- Rural Development's Utilities Programs provide indirect assistance to small and minority farmers through its electric, telecommunications, water, and waste disposal programs. Through loans and grants, the Utilities Programs help rural communities finance infrastructure utilities,



and works with rural co-ops, non-profits, public bodies, and for-profit utilities. The Utilities Programs are also helping to establish new and vital services like broadband, distance learning, and telemedicine.

### **Housing and Community Programs**

■ Rural Development's Housing Programs facilitate homeownership, develop rental housing, and promote community development. In FY 2003, the agency helped more than 60,000 families buy or repair their homes, and provided more than \$5 billion for housing and community facilities.

The Farm Labor Housing Programs provide low-interest loans and grants to public or nonprofit agencies or to individual farmers to build affordable rental housing for farm workers. In FY 2003, Rural Development awarded \$55.9 million in Farm Labor Housing loans and \$5.8 million in Farm Labor Housing grants. The agency targeted the funds to the neediest areas, and used them to build 792 housing units and rehabilitate 2,598.

### **Farm Labor Housing Funding**

	<u><b>FY 2001</b></u>	<u><b>FY 2002</b></u>	<u><b>FY 2003</b></u>
Loans	\$33,142,913	\$47,321,620	\$55,861,660
Grants	\$9,480,325	\$14,461,761	\$5,822,467

In FY 2003, Rural Development assessed the more than 44,000 units in the multifamily housing portfolio to determine the best way to continue to provide affordable housing and make changes where needed. Work began on a multi-year strategic plan to identify long-term financial, technological, and human capital needs.

The agency also laid the groundwork for a pilot program to make it easier for faith-based organizations to partner with Rural Development to provide housing and essential community facilities for rural communities.

Through the Community Facilities Program, Rural Development helped finance day care centers and other essential services so parents have a safe place for their children while they are at work.

### **FLORIDA**

■ **Farm Labor Housing Grant/Loan:** In 2003, Rural Development gave Catholic Charities a \$2.5 million loan and a \$500,000 grant to expand its facilities for low-income farm workers. The money will finance 26 more housing units and a 10,000-square-foot community center. Catholic Charities also received Rental Assistance subsidy to reduce rents for farm worker families.



## NEW MEXICO

■ **Community Facilities Grant:** Rural Development provided \$75,185 in Community Facilities funding to expand El Centro De Los Ninos, an early childhood education center in New Mexico's Rio Arriba County, a region with one of the highest unemployment rates in the state.



## VI. Research and Extension



**Commission Recommendations:** The Commission recognized that the traditional focus of Federal research and extension programs is on improving farm productivity with technological improvements. However, the Commission explicitly recommended that USDA's Research, Education, and Economics (REE) agencies shift resources to improving farm profitability through technologies and strategies that optimize farm management skills, reduce capital and operating costs, produce higher valued products, and capture

a larger share of the consumer dollar.

Specifically, the Commission recommended that by 2002, at least two-thirds of the Agricultural Research Service research portfolio should consist of projects that contribute to income-earning capacity and competitiveness of small farms.

### AGENCY HIGHLIGHTS

#### Agricultural Research Service (ARS)

The 8,000 employees of the Agricultural Research Service (ARS) operate a nationwide research network to meet the needs of the producers and consumers of agricultural goods and services. This includes promoting food safety and good nutrition and economic stability in rural communities and protecting the environment. While much of the Agency's research is useful to farms and ranches of all sizes, some findings are particularly useful to limited-resource producers. Some examples of such research results include the following work in horticulture, aquaculture, and forage-livestock production.

■ **Paper Mulch for Weed Control:** Weed control is one of the greatest obstacles to vegetable production in the southeastern United States. Many small farmers need control options that do not rely on chemical inputs. Researchers at the U.S. Horticultural Research Center in Fort Pierce, Florida, have been working with Novovita, Limited Liability Company (LLC), a small company based in North Carolina, and researchers at North Carolina State University and the University of Florida to develop new formulations of paper mulch that are highly effective in managing weeds.

In initial studies, even nutsedge has been suppressed; it is one of the region's most difficult to control weeds. They have conducted on-farm trials with small-scale growers of strawberries and melons using sheets of paper that can be applied by hand. They have also tested a hydramulch that is applied as a sprayable liquid on melons and bell peppers. Not only might this hydramulch help small farmers control weeds, it would be appropriate for home garden use and landscaping.



These mulches are a novel use of a waste product that is composed mainly of fifth-generation cotton waste. Research continues to improve weed control through newer hydramulch formulations and to make the application technology more manageable for small farmers.

■ **Hawaiian Fruit-Fly Control Program Provides Opportunities for Small Farms:** Fruit flies have been devastating Hawaiian agriculture for almost 100 years and have forced many small farms to abandon important crops. The Hawaiian fruit fly area wide pest management project has resulted in the first successful program to control these destructive pests. The project is led by a partnership of ARS, the Hawaii Department of Agriculture, the University of Hawaii Cooperative Extension Service and local communities, APHIS, and other research, regulatory, and government agencies.

The integrated pest management (IPM) strategy being implemented is a combination of techniques, developed mainly by ARS, specifically adapted to Hawaii. The targeted fruit flies (melon, Oriental, Mediterranean, and Malaysian) attack more than 400 different fruits and vegetables. The 285 cooperating growers in this program, representing 6,200 acres across the major islands of Hawaii, have been able to cut conventional pesticide use by 75-90 percent while reducing fruit fly infestation from 30-40 percent to less than 5 percent. The program is expanding in Hawaii and throughout the Pacific Basin (for example, French Polynesia, Fiji, Vanuatu, Guam, and the Northern Mariana Islands).

■ **Alternatives to Methyl Bromide for Cut Flower Production:** Many small farms in south Florida specialize in producing flowers that are cut and used by florists across the United States. These small farms have become dependent on methyl bromide for control of nematodes, weeds, and other soil borne pests. These field-grown plants face pest problems similar to those associated with vegetable production in Florida, but the diversity of the products grown requires a slightly different approach that must often be grower-specific.

Many flower growers produce their crops on small acreages and are unable to justify commercial fumigation. Researchers at the U.S. Horticultural Research Laboratory in nearby Fort Pierce, Florida, are currently cooperating with smaller acreage producers to test new chemicals being developed at the laboratory. Growers could apply the new chemicals using a drip irrigation system or by injection into the soil. The researchers are testing several methods and refining them to accommodate both large and small growers.

■ **Improving Grapevine Sustainability:** Grape plants colonized with arbuscular mycorrhizal (AM) fungi have improved nutrient uptake and productivity. ARS scientists at Davis, California have found that cover crops and weeds growing on the vineyard floor are an important source of AM fungi. By improving our understanding of the biology of AM fungi, the scientists have developed vineyard floor management practices to promote greater colonization of grapevines. This results in more efficient use of nutrients by the grapes and this benefits producers by reducing fertilizer inputs and nutrient runoff into the environment.

■ **New Strawberry Variety:** “Ovation,” a new strawberry variety developed by scientists at the ARS Fruit Laboratory in Beltsville, Maryland, has high yield, excellent fruit size and quality,



and exceptional vigor. This variety is expected to replace the current late-season standard for growers from the Mid-Atlantic northward because of its extremely late fruiting season, plant vigor, and over-all quality. These growers are mainly on smaller farms, often with a diversified crop base. This variety is also highly resistant to red stele root rot, one of the most limiting factors for cost-effective production.

■ **Yields Higher for Sunshine Bass:** Farmers have had very little objective information to use in selecting between the two commercial crosses of hybrid striped bass raised in the United States. In cooperation with a regional producer of hybrid striped bass, scientists at the Harry K. Dupree (HKD) Stuttgart National Aquaculture Research Center in Stuttgart, Arkansas, determined pond production characteristics (feed consumption, feed conversion rate, growth, and fillet yield) of the two crosses. Results indicated that fillet yield was 3 percent greater for sunshine bass (white bass female x striped bass male) than for palmetto bass (striped bass female x white bass male). No other production characteristics were significantly different. So sunshine bass can be more profitable to grow than palmetto bass because they have flesh that is more edible.

■ **Low-cost control of bird predation:** A major economic loss for the aquaculture industry is predation by double-crested cormorant and other birds. Working with six privately owned catfish producers in southeastern Arkansas, ARS scientists at the HKD Stuttgart National Aquaculture Research Center in Stuttgart, Arkansas, evaluated a low-cost, physical barrier system for deterring fish-eating birds. The technique limited cormorant access to aquaculture ponds by 4 to 10 fold, and when they did land on the ponds, the duration of their stay was reduced. Other fish-eating birds were deterred as effectively, and in some cases, there was complete exclusion. This economical, non-lethal method has already been adapted by at least 10 major catfish farms and their losses have been greatly reduced.

■ **Increasing profit opportunities from hair sheep:** When compared to wool sheep, hair sheep breeds are better at adapting to a variety of climates, using low-quality forages, reproducing prolifically, and not needing shearing. But we lack information on how different hair sheep breeds perform on low-cost finishing diets based on forages. ARS and university researchers in Beaver, West Virginia, and Petersburg, Virginia, evaluated three hair breeds (Barbados Blackbelly, Katahdin, and St. Croix) finished on low-cost hay diets supplemented with corn. They found that Katahdin had a 25 percent higher average daily gain and used dietary protein 13 percent better than St. Croix and Barbados Blackbelly lambs. The increased protein use and weight gains for Katahdin hair sheep allow producers to reduce feeding costs and optimize profitability in a fast-growing niche market.

To identify appropriate sheep breeds for the more subtropical South, ARS scientists at Booneville, Arkansas and the University of Arkansas compared the growth and carcass traits of three hair sheep breeds (Dorper x St. Croix, and Katahdin) and one traditional wool breed (Suffolk). The best results in terms of animal performance, carcass muscularity, and quality for lambs weaned at 60 days and managed on a finishing ration till harvest at 180 days of age came from a Dorper x St. Croix cross.



■ **Self-seeding annual grasses:** Limited-resource farmers often cannot use highly productive annual forage grasses because of the annual reseeding costs. ARS scientists at Langston, Oklahoma evaluated alternative harvest practices for annual ryegrass to determine the best harvesting dates for forage yields while leaving sufficient grass to mature and produce adequate seed for self-seeding the next year's stand. They found that the greatest seed deposition resulted in July after a mid-April harvest. The maximum forage yield resulted from mid-May harvesting, which did not produce enough seed for natural reseeding. Farmers need to evaluate the tradeoffs between seed production and forage yield in deciding when to harvest.

■ **Improving Forages for Livestock Production:** New forage varieties that improve forage quality and yields without requiring additional inputs can increase small-farm profitability. To speed up the development of improved grasses for rehabilitating and improving rangelands, ARS scientists at Logan, Utah are using molecular techniques to identify genes associated with important characteristics including biodiversity in native and introduced species.

In 2003, they released Star Lake Indian ricegrass germplasm for rangeland rehabilitation and Cashe Meadow brome grass for forage production under limited irrigation. ARS scientists at Lincoln, Nebraska, in cooperation with scientists at the University of Nebraska, Kansas State University, USDA's Natural Resources Conservation Service, and other ARS locations released two new intermediate wheatgrass cultivars, Beefmaker and Haymaker, to help meet producers' needs in the northern Great Plains for higher-quality forages for better animal performance.

ARS scientists at College Station, Texas, in cooperation with other ARS locations and universities—including Texas A&M, Arkansas, Mississippi State, and Auburn—evaluated a new strain of dallisgrass for winter hardiness across the South. This new strain proved to be more productive and persistent than other dallisgrasses evaluated in southern Texas and Louisiana. Information gathered on winter hardiness indicates that this grass can be used as far north as central Arkansas and along the southern border of Tennessee.

### **Cooperative Research, Education, and Extension Service (CSREES)**

■ **Research Projects Supported by CSREES' 1890 Institution Teaching and Research Capacity Grants Program Benefit Small Farmers:** Small farmers benefit from outcomes of innovative teaching and research projects funded through CSREES' Capacity Building Grants Program, initiated in 1990 to build the institutional capacities of the 1890 Land-Grant Institutions and Tuskegee University. Funded projects involve 1890 scientists, faculty, and Extension professionals working collaboratively in targeted needy areas such as the following:

- Studies and experimentation conducted in plant and animal breeding programs to develop better crops or livestock;
- Centralized research support systems (e.g., computerized data banks on crop yields); and
- Technology delivery systems (e.g., computer-based decision support systems to assist small-scale farmers to take advantage of relevant technologies, programs, and policies).



Some examples of 1890 Capacity Building Grant projects funded in FY 2003 which benefit small farmers include:

- A research grant to North Carolina A&T State University is funding a model which uses science-based data to describe the interlinking role of community based organizations (CBOs), land-grant institutions, government agencies, businesses, and regional centers involved in poverty alleviation in the Black belt regions of the U.S. The model will help USDA programs which target the small farm community establish effective points of contact with small farmers through CBOs which have close connections with hard-to-reach small farmers and other rural community groups.
- Opportunities for small farmers, Extension professionals, and other rural residents to learn computer literacy skills are being created through a teaching grant to Lincoln University.
- A research grant to Alcorn State University will help scientists identify the most sustainable crop production practices and profitable alternative marketing channels for medicinal plants applicable to Mississippi.
- A research grant to Alabama A&M University funded the development of alternative land-use policy tools to encourage “smart growth” and minimize agricultural land loss, especially in fringe areas between rural and urban populations, by using an advanced remote sensing, geographic information system (GIS) and global positioning systems (GPS). The research will also determine the impact of land-use patterns on farm families through a survey instrument.
- A research grant to the University of Arkansas helped identify vegetable varieties and production practices for peas, fall greens, and sweet potatoes - best adapted to small farms.
- A research grant to Tennessee State University is funding a study to promote the goat meat industry in Tennessee in response to the increased demand by a fast growing ethnic population for goat meat. The promotion of the goat industry as an alternative enterprise can supplement the income of struggling small and limited resource farmers in Tennessee.

### **Economic Research Service (ERS)**

The National Commission on Small Farms recommended that analyses be undertaken to identify production systems, marketing approaches, and financing decisions being used by successful farming operations. ERS has responded to the Commission’s recommendations by developing projects in several areas:

■ **Research on Organic Agriculture:** ERS continues to carry out a program of research and data developments on the market for organic foods. Since organic markets have multiple opportunities for participants with different-sized operations, research results may assist small-scale organic producers in their marketing plans and provide information to other small-scale producers who are looking for additional marketing outlets.



In 2003, ERS published a report on the continued expansion of organic farming (ERS Agricultural Information Bulletin No. 780, U.S. Organic farming in 2000-01: Adoption of Certified Systems), an article on organic produce at farmers markets (Outlook Report No. VGS-301-01, Organic Produce, Price Premiums and Eco-Labeling at Farmers' Markets), and revised a data product on organic acreage and livestock over the 1990-2001 period. These products can all be viewed at the agency's organic farming and marketing briefing room, at [www.ers.usda.gov/Briefing/Organic/](http://www.ers.usda.gov/Briefing/Organic/).

ERS also organized a 2003 workshop on data needs in the organic sector. The Agency is currently developing a supplement on organic dairy farming to be added to the 2005 Agricultural Resource and Management Survey.

■ **Research on Contracting in Agriculture:** ERS has a program of research underway to assess the nature and scope of contracting (marketing and production contracts) in several areas of U.S. agriculture. Contracting is a growing phenomenon in U.S. agriculture. The use of contracting is closely associated with large farms. Some ERS research analyses why contracting and farm size is linked, while other work assesses the effects of contracts on costs among small and large producers. Finally, some work examines the use of contracts among small producers.

In 2003, ERS researchers published a report (AER 818, February 2003) and a journal article (American Journal of Agricultural Economics, February 2003) on the effects of contracting in hog production. A major report on contracting in U.S. agriculture is in clearance, and should be released in late 2004. That report also includes an analysis of developments under the Livestock Mandatory Price Reporting of 1998, legislation specifically aimed at one concern identified in *A Time to Act*.

In 2003, ERS updated questions relating to contracting in the Agricultural Resource and Management Survey for 2003, and will incorporate data from that survey into its ongoing research program.

■ **Research on Financial Performance and Cost Structure of Farms:** ERS research aims to identify farm and farm operator characteristics that are associated with the likelihood of above average returns, defined by returns to equity and to the operator's labor and management. Other work identifies the factors driving costs and cost control among U.S. farms.

In 2003, ERS researchers completed work on an analysis of the impact of participation in cooperatives on small farms success. The research, completed as part of a cooperative agreement with Tennessee State University, found that farm size, participation in marketing and supply cooperatives, soil productivity, and certain management strategies all had a positive impact on the financial performance of small farms (The Impact of Participation in Cooperatives on the Success of Small Farms, Journal of Agribusiness, Spring 2004).

ERS is also cooperating with analysts from Penn State University to analyze the nature and extent of women's economic contributions to farm operations in the United States, including their involvement in farm tasks, farm decision-making, farm organizations, and government



agriculture programs. Preliminary results of that work appear in a chapter in the Family Farm Report.

The agency continues to release periodic electronic statistical bulletins analyzing variations in farm characteristics and production costs among producers of specific commodities. Recent releases have included reports on soybean, wheat, dairy, and rice producers. These reports can be accessed online at [www.ers.usda.gov/Briefing/FarmIncome/](http://www.ers.usda.gov/Briefing/FarmIncome/)

■ **Research Detailing the Changing Structure of U.S Farming:** ERS researchers provide frequent summary information on the structure of U.S. farming in a variety of outlets, along with detailed analyses of the small farm sector. ERS researchers published a chapter on “American Farms” in the USDA Agriculture Factbook (February 2003). The chapter highlights the changes in the size distribution of farms in the United States, while also describing the wide diversity of small farming operations in the country.

ERS researchers also completed work on a new Family Farm Report, released in 2004. The report provides summary information on the structure of farming and new research. One research chapter analyzes the relationship between unit costs and farm size among corn and soybean producers in ten major states, and finds significant cost advantages to larger sized farms. Another research chapter analyzes the factor associated with superior financial performance among farms in different size classes, and finds specific indicators of cost control that drive differences in financial performance.

In order to improve timeliness, future versions of the report will separately release research chapters and summary structural analyses.

■ **Communicating the ERS Farm Typology:** ERS analysts were involved in several activities to communicate the Farm Typology for use in thinking about farm structure and how programs might be focused to recognize differences among farms and farm households. Among these activities are:

- “Typology of America’s Small Farms,” presented at the Third National Small Farms Conference.
- “U.S. Farm Structure,” Testimony at Hearings of Farm Credit Administration on Scope of Lending by Farm Credit System.
- “Off-farm Income Supports Many Farm Households,” *Agricultural Income and Finance Outlook*.
- “Differences in Canadian and U.S. Farm structure: What the Farm Typology Shows,” paper presented at the Canadian Agricultural Economics Society annual meeting.
- “Farm Structural Characteristics, Regional Economics, and Sustainability of Rocky Mountain Agriculture,” presented at the Rocky Mountain Summit.



- “Financial Performance, Conservation, and Farm Diversity in the Northeast: Characteristics of Family Farm Operators and their Farms,” paper presented at the Northeastern Agricultural and Resource Economics Association annual meeting.

Note: Regional analyses are necessary, because farms differ across geographic areas and national analysis does not necessarily meet the need of specific regions.

■ **Small-scale African American Farmers:** An ERS analyst conducted interviews with small-scale African American farmers in a Mississippi Delta community conducted in collaboration with Dr. Valerie Grim, Indiana University. The interviews were designed and piloted as a prototype for small interviews/case studies. The findings and methodology were reported to the USDA Small Farms Working Group, Washington, DC, in July 2002 and presented at the 3d National Small Farms Conference in Albuquerque, New Mexico, in September 2002 under the title “Helping Farmers Succeed: Conversations with Small-Scale African-American Operators in the Mississippi Delta.”

The long-term research collaboration with Dr. Grim, Indiana University, that facilitated the above research also supported a presentation titled “Connecting the Past, Present, and Future: Oral History in an African-American Farming Community” at the Oral History Association meeting in Bethesda, Maryland, in October 2003. The presentation described the development of a collection of interviews with members of a small African-American farming community in the Mississippi Delta region, which both captured the remembered past of the community and strengthened and extended the community’s efforts to protect their future by addressing current problems.

### **National Agricultural Statistics Service (NASS)**

The mission of the National Agricultural Statistics Service (NASS) is to provide timely, accurate, and useful statistics in service to U.S. agriculture. To achieve this, NASS administers the USDA's program of collecting and publishing current national, State, and county agricultural statistics. In addition to the annual statistics program, NASS conducts the Census of Agriculture every 5 years.

■ The census of agriculture provides a detailed look at agriculture in each of the Nation’s 3,000 plus counties and is the only source of uniform agricultural data for every county in the United States. Statistical data provided by NASS are essential to both the public and private sector, including small farmers, ranchers, and the socially disadvantaged groups for all types of agricultural planning and decision-making.

■ NASS publishes the Agricultural Statistics Board Calendar annually which lists all the NASS reports released during the calendar year. All of the reports are available on the NASS home page at [www.usda.gov/nass/](http://www.usda.gov/nass/), or for additional information contact the Agricultural Statistics Hotline 1-800-727-9540.

■ A preliminary release of demographic data collected by the 2002 Census of Agriculture was released on February 3, 2004, and the final United States Summary and State Data tables were



issued on June 3, 2004. The 2003 Farm and Ranch Irrigation Survey and the Census of Aquaculture are two special studies conducted by NASS to supplement the census data and to provide more detailed information on certain farm sectors.

#### **Small Farmers Initiative/Activities and Socially Disadvantaged Groups:**

- NASS works closely with USDA's Small Farms Coordination, Office of the Under Secretary for Research, Education and Economics (REE) to provide statistical and demographic information, as needed, relating to small farms and socially disadvantaged groups issues and other associated Departmental/REE initiatives.

- NASS continues to evaluate its list of farm and ranch operations using its updating procedures to ensure coverage of the Nation's small farms and ranches and minority operators of farms and ranches. NASS has become increasingly aware of the ever-increasing number of refugees who are engaged in farming and agribusiness across the United States. Its staff is working with an interdepartmental group, Community and Faith Based Organizations, to identify farm operators and add them to the Nation's farm and ranch list, known as the List Frame. The List Frame serves as the foundation for NASS' annual survey program and the Census of Agriculture.

- NASS staff engaged in collaboration with other USDA agencies and the Office of Outreach, Land-Grant Institutions, and Community Based Organizations to increase the 2002 Census of Agriculture response rate of small farms and ranches and minority operators of farms and ranches. This effort was highly successful. NASS staff continues to assist the USDA Office of Outreach and the Farm Service Agency in their efforts to implement the Minority Farm Register, which was recommended in the 1997 Civil Right Action Team (CRAT) report.

The register will be a voluntary list of minority farm operators and/or owners and is being created to provide an additional tool for USDA to comply with Section 10708 of the 2002 Farm Bill: Transparency and Accountability for Socially Disadvantaged Farmers and Ranchers. The Minority Farm Register will also provide an additional tool to help USDA improve its Outreach and Technical Assistance Program for Socially Disadvantaged and Minority Farmers.

- NASS and the Economic Research Service (ERS) staff completed review of the Agricultural Resources Management Study (ARMS) specifications and questionnaire content for the ARMS III survey. This survey is conducted in cooperation with ERS and focuses on cost of production data for targeted commodities, chemical use, and farm finances.

The ARMS results are included in several ERS reports including "Income, Wealth, and the Economic Well-Being of Farm Households," and "Agricultural Resources and Environmental Indicators: Land Ownership and Farm Structure". Both reports were released by ERS in June 2002.



## VIII. Beginning Farmers



**Commission Recommendations:** The Commission's recommendations highlighted the critical need for public investment to support and facilitate the entry of the next generation into farming. This includes maximizing existing targets of credit assistance for beginning farmers, investigating strategies to facilitate intergenerational farmland transfers, and launching a department-wide initiative to focus research, extension, marketing, and credit assistance appropriate to the needs of new

farmers and ranchers.

The Commission also recommended that USDA offers grants to beginning farmers as an alternative to operating loans, which are given at a subsidized interest rate.

### AGENCY HIGHLIGHTS

#### Farm Service Agency (FSA)

■ **Advisory Committee on Beginning Farmers and Ranchers.** The Advisory Committee on Beginning Farmers and Ranchers was formally established by USDA regulation on November 25, 1998. The Committee is comprised of 20 members representing FSA; State Beginning Farmer Programs; commercial lenders; private nonprofit organizations with active beginning farmer programs; the Cooperative State Research, Education, and Extension Service; educational institutions with demonstrated experience in training beginning farmers or ranchers; other entities providing lending or technical assistance for qualified beginning farmers or ranchers; and farmers and ranchers.

The statute requires representatives from the first seven groups to be included on the Committee. The Committee has met four times and issued numerous recommendations to the Secretary. FSA is the agency designated to provide support to the Advisory Committee.

#### ■ Loans to Beginning Farmers and Ranchers

As required by law, FSA targets a percentage of loan funds to beginning farmers and ranchers. In FY 2002, FSA provided 8,691 beginning farmers and ranchers direct and guaranteed loan assistance totaling \$840 million. In FY 2003, FSA provided 8,633 beginning farmers and ranchers direct and guaranteed loan assistance totaling \$851 million.

#### ■ Beginning Farmer and Rancher Land Contract Guarantee Pilot Program

On September 4, 2003, FSA published a notice in the Federal Register announcing the availability of funding to implement the Beginning Farmer and Rancher Land Contract



Guarantee Pilot Program. The 2002 Farm Bill directed FSA to implement this program if a determination was made that the risk was comparable to the risk present in the case of guarantees to commercial lenders. After a study was completed to determine the risk involved, FSA decided to implement the program.

■ In FY 2003, FSA Outreach Staff conducted two workshops with Hispanic farmers and farm workers in Homestead and Apopka, Florida. These workshops were conducted in working partnership with the Farm Workers Association of Florida (FWAF), Rural Development (RD), and the Natural Resources and Conservation Service (NRCS). The goals of the workshops were:

- (1) to provide information on USDA programs and services to Hispanic farmers and farm workers who are purchasing farms and planning to become today's new small farmers and ranchers, and
- (2) to open a line of communication with the fastest growing farm community in Florida and the United States, Hispanic farmers and ranchers.

## **Natural Resources Conservation Service**

### **Colorado**

■ In March 2003, NRCS officials held land management training for new landowners and owners of small farms near Glenwood Springs, Colorado. The free, 5-week training covered soils and nutrients, water and pasture management, weed and pest control, and other resource concerns. The Bookcliff, Mount Sopris, and South Side conservation districts assisted with the sessions.

### **Iowa**

■ In September 2003, NRCS hosted free conservation workshops for beginning and limited resource farmers in Iowa. These workshops covered how to identify resource concerns, conservation planning, Farm Bill conservation programs, and services offered by technical service providers.

### **Ohio**

■ In March 2003, NRCS officials provided 2002 Farm Bill information to beginning and limited resource farmers and newly established farmers' cooperatives in Ohio. The conference, held in Wilmington, highlighted the conservation provisions of the 2002 Farm Bill and acquainted limited resource and minority farmers with financial and technical assistance available to them from USDA.



## IX. Farm Workers



**Commission Recommendations:** The Commission's report noted that if independent, family-sized farmers are to be able to pay themselves a middle-class income for their labor, they cannot compete fairly with large farms that rely on hired farm workers at government-sanctioned low wage levels. The Commission States that farm workers should be treated fairly and should be provided just compensation for their labor and the same protections afforded all working people under existing labor laws and regulations.

Recommendations of the Commission reinforced many of those put forward by USDA's 1997 Civil Rights Action Team report. The Commission suggested a Federal task force to examine existing laws and enforcement of regulations affecting farm workers.

The Commission also called for increased funding for farm workers' housing and greater effort on outreach.



## X. Civil Rights



**Commission Recommendations:** The Commission gave a strong endorsement for the recommendation for the USDA Civil Rights Action Team (CRAT) report, emphasizing swift action to settle outstanding discrimination cases brought forward by farmers and USDA employees and to put in place effective civil rights enforcement and monitoring procedures.

### AGENCY HIGHLIGHTS

#### USDA National Office of Civil Rights

On April 1, 2003, Vernon B. Parker began as the first Assistant Secretary for Civil Rights with oversight over a newly created mission area within the Department of Agriculture. The Office of the Assistant Secretary for Civil Rights began implementing 13 significant civil rights related initiatives in October 2003. The principal focus of these initiatives is to reduce the pending discrimination complaint inventory and by the end of FY 2004, institutionalize the timely processing of complaints and change the culture within the Office of Civil Rights (CR).

In undertaking measures to effectuate change in CR, three (3) immediate actions took place: 1) the shifting of CR employees to divisions and areas specifically to reduce the pending complaint inventory; 2) the requirement for all CR managers to be held accountable for productivity in their respective divisions; and 3) garnering support and oftentimes resource assistance for the initiatives from USDA agencies and stakeholders.

#### Progress on the 13 Initiatives

■ **Initiative 1: Consolidation of Functions with Civil Rights Focus.** The Office of Civil Rights, the Conflict Prevention and Resolution Center, the National 1890 Program, the Diversity Advisory Councils, and the Office of Outreach have been brought under the authority of the Assistant Secretary for Civil Rights (ASCR).

**Update Status ...Completed:** All of the aforementioned independent offices are currently under the authority of the ASCR. Some vacancies remain unfilled due to the delayed budget allocations. The formal reorganization of the Office of the ASCR according to DR-1010 is on target for completion by end of September 2004 (4<sup>th</sup> quarter).

■ **Initiative 2: Realignment of Personnel and Functions in Civil Rights.** CR was temporarily restructured to allow employees to be moved to areas specifically to address the Inventory Reduction Initiative and implementation of the 12 remaining initiatives.



**Update Status ... Almost Completed.** The table below reflects realignment changes:

Established as of October 1, 2003	Established since October 1, 2003	To be completed
<ul style="list-style-type: none"> <li>▪ Accountability, Agency Evaluation, and Special Projects staff.</li> <li>▪ Budget and Planning Unit.</li> <li>▪ The Employment/Program Compliance and Technical Assistance Division.</li> <li>▪ Programs Complaint Division, and</li> <li>▪ Policy and Resource Management Division.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Acting chiefs designated for the: Employment Complaints, Policy and Resource Management, and Program Complaints Divisions.</li> <li>▪ An Acting Director has been named until the vacancy is filled.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A Civil Rights Service Center to process conflict of interest cases will be staffed by October 2004.</li> <li>▪ A Data Management Analysis and Reporting Division will be staffed by October 2004.</li> </ul>

■ **Initiative 3: The Civil Rights Enterprise System.** The Civil Rights Enterprise System will provide USDA with a web based tracking, processing and management tool to be used for all USDA Civil Rights complaint and reporting functions.

**Update Status ... On Target:** The Enterprise System is in the phase of selecting a vendor with presentations being made by vendors to the office of the ASCR for review and approval. A vendor is on target to be selected by August 1, 2004.

■ **Initiative 4: Improving Intradepartmental Relations.** The relationship between CR and other USDA administrative divisions, in particular, the Office of General Counsel, requires remedial measures to ensure CR meets its operational and statutory goals. At issue is the perception of biased and unfair advice being given to CR from OGC and a co-mingling of roles.

**Update Status ... On Target:** Departmental regulations are being amended to clarify and define specific roles and responsibilities for CR and OGC personnel in carrying out their respective functions. The proposed regulations will be completed by September 2004.

■ **Initiative 5: Improving Customer Service.** Establishing a centralized customer service unit in CR to handle all incoming telephone calls for program and employment complaints ensure internal and external customers receive prompt and efficient responses to their inquiries.



**Update Status ... Completed:** The current Customer Service Unit has toll-free telephone lines, a TDD number, and an email address to respond to queries. A Customer Service Guide explains how the four personnel detailed to this unit are to handle telephone, written, and electronic queries. A monthly report of activity in the Customer Service Unit from October 2003 – March 2004 is shown below:

MONTH	Number of Contacts	Processed Within Two Days (Average)
October 2003	190	159 (84%)
November 2003	168	135 (80%)
December 2003	238	223 (94%)
January 2004	221	189 (86%)
February 2004	170	163 (96%)
March 2004	381	372 (98%)

■ **Initiative 6: Complaint Inventory Reduction (Program and Employment).** The most important initiative requiring the greatest output of time and employee resources. A detailed action plan was developed to achieve the goal of reducing the complaint inventory in Programs and Employment, to which CR Division Chiefs agreed to by signature and for which they will be held accountable.

Also, staff directly involved in the inventory reduction have performance plans to reflect the addition of duties or functions related to this initiative. The goal is for each division in CR to have a manageable level of complaints by October 1, 2004, which will be processed timely.

**Update Status ... On Track:** A contract was entered into with three private Equal Employment Opportunity (EEO) firms to draft final agency decisions (FADs) for employment complaints. Additionally, USDA has entered into a partnership with the Equal Employment Opportunity Commission (EEOC). The EEOC will provide training to CR employees on complaint processing, monitor employee productivity, and provide recommendations for improvement.

The table below reflects the processing productivity within the Employment and Program Divisions:



■ **Table 4:** Case activity from October 1, 2003 through April 30, 2004

	Employment Unit	Programs Unit
Beginning balance	2,001	481
Newly Received	407	1,376*
Cases resolved	543	1,123
Ending Balance	1,458	253

\* The large number is due to a letter writing campaign spearheaded by the United Black Farmers.

■ **Initiative 7: Increasing Informal EEO Complaint Resolution Rates.** With the assistance of the Conflict Resolution and Prevention Center (CPRC), CR will utilize Alternative Dispute Resolution (ADR) in the EEO and program complaint process, resulting in less formal EEO complaints filed and more EEO complaints resolved.

**Update Status ... Almost Completed:** A draft ADR Policy and Procedures was vetted through all agency Civil Rights directors and ADR personnel for comment and review. The policy is in the agency clearance process.

■ **Initiative 8: Public Awareness Campaign.** This aggressive effort will focus on promoting the positive actions and accomplishments of the offices under the ASCR. The target audience includes, but is not limited to, recipients and beneficiaries of USDA programs as well as employees.

**Update Status ... On Track:** The ASCR continues, through nationwide meetings with constituent groups and members of Congress, to make public the 13 initiatives and progress made in CR to institutionalize change.

■ **Initiative 9: Prevention of Program Complaints.** CR, collaboratively with other agencies, will develop and implement processes ensuring all USDA programs (where applicable) reach out to socially and economically disadvantaged groups, particularly those seeking program benefits.

**Update Status ... On Track:** On April 15, 2004, a Stakeholders Meeting was held in a major downtown Washington, DC hotel as an outreach effort to minority farmers. The all-day meeting covered areas such as the USDA 2501 programs, holding USDA employees and quasi-employees accountable for discriminatory actions toward minority program applicants, using a receipt for service, revising the County Committee process, the farm loan process, and diversity in the County offices.



CR is participating in agency-sponsored conferences and seminars to ensure customers previously excluded from USDA programs have access and technical assistance for full participation.

■ **Initiative 10: Prevention of EEO Complaints.** CR envisions reducing the number of complaints filed by employees and applicants for employment. This initiative requires hiring a consultant and contractor to conduct a detailed workforce analysis and a barrier analysis of employment impediments.

**Update Status ...*Target Date Revised:*** Due to limited financial resources, the implementation date for this initiative will take place in fiscal year 2005.

■ **Initiative 11: Implementation of the No Fear Act.** The Notification and Federal Employment Antidiscrimination and Retaliation (No FEAR) Act of 2002 requires Federal agencies to be held accountable for violations of antidiscrimination laws. Agencies are to post quarterly statistical data on employment complaints filed with the agency, as well as train employees on their rights and remedies under antidiscrimination laws.

**Update Status ...*On Track.*** CR will post its 1<sup>st</sup> and 2<sup>nd</sup> quarter 2004 reports for the No FEAR Act and continues to work collaboratively with agencies to accurately report their statistical EEO data.

■ **Initiative 12: Implementing Accountability Policy in Personnel Actions.** CR and the Office of Human Resources Management (OHRM) will revise and implement an Accountability Policy that ensures personnel actions will include specific corrective and disciplinary measures for any USDA employee who violates antidiscrimination laws.

**Update Status ...*On Track:*** A draft policy has been written and cleared through agency Civil Rights directors and CR managers for review and comment. The policy is currently in the formal clearance process with publication targeted by September 2004.

■ **Initiative 13: Establishing an Annual Civil Rights Forum.** A Civil Rights Forum will be established to take place annually to train managers and industry practitioners on issues affecting civil rights.

**Update Status ... *On Track:*** The first Forum is scheduled to take place tentatively at the Marriott-Wardman Hotel in Washington, DC on September 22, 2004. Major Civil Rights practitioners have been invited to participate in this one-day event.



## XI. ADDITIONAL SMALL FARMS INITIATIVES

This area of the report highlights the progress and achievements made by USDA for the reporting period and in those areas that were not specifically addressed by the Commission in its report, *A Time to Act*, and the 146 recommendations included therein.

### **Cooperative State Research, Education, and Extension Service (CSREES)**

#### ■ **CSREES Community Food Projects Grant Program (CFPCGP) Benefits Small**

**Farmers:** The program is designed to provide grants on a competitive basis to support the development of Community Food Projects to: (1) meet the food needs of low-income people; (2) increase the self-reliance of communities in providing for their own food needs; and (3) promote comprehensive responses to local food, farm, and nutrition issues. Community Food Projects are intended to take a comprehensive approach to developing long-term solutions that help to ensure food security in communities by linking the food production and processing sectors to community development, economic opportunity, and environmental enhancement. Some examples of how small farms benefit from the CFPCGP are as follows:

- A 2003 grant to Ecotrust, Portland, Oregon, is funding a collaboration among Ecotrust, the Columbia River Intertribal Fish Commission, and the Food Innovation Center to help 400 fisher families from 4 Indian Tribes – the Confederated Tribes of the Umatilla Indian Reservation, the Confederated tribes of the Warm Springs Reservation, the Yakima Nation, and the Nez Perce Tribe—from a 4-state Columbia River region to develop value-added products from underutilized “Tule,” Chinook salmon. A canned product, “Wild Chinook Oregon Troll - Caught Direct from the Salmon Nation,” has been developed, new food products from Tule and higher-value fish are being created, and tribal members are involved in chef-to-fishermen conferences where chefs advise fisherman about what form they need fish products to be when delivered directly to restaurants.
- A 2003 grant to Community Teamwork, Inc., Lowell, Massachusetts, involves establishing a marketing cooperative to help primarily Asian immigrant farmers find viable outlets for their produce and other specialty crops, including outreach to WIC and food stamp recipients to encourage them to make purchases from these local farmers.
- A 2003 grant to the Federation of Southern Cooperatives, East Point, Georgia, is expanding existing farmer cooperatives in Alabama, Georgia, Mississippi, and South Carolina through workshops, technical assistance, strengthening direct marketing outlets and developing a cooperative marketing manual geared to the needs of Black farmers in the four states.
- A 2002 grant to Cooperative Development Services, Madison, Wisconsin, is assessing the feasibility of developing a cooperative grocery store in Barneveld, Wisconsin, which replaces a commercial grocery that closed in 2002. The cooperative grocery will offer an outlet for local farmers to sell their products.



■ **Small Business Innovation Research (SBIR) Program Benefits Small Farmers:** From January 2001 to May 2004, the CSREES SBIR program funded projects involving small farm workforce development and safety, stimulation to rural economies, rural business development promising new technologies that hold the potential to impact small farmers, and projects yielding promising bio-based products and processing techniques with promising commercial potential that may benefit small farmers and ranchers.

The SBIR Program provides competitive research funding to small businesses developing products, processes, and services for the diverse communities served by the USDA. These communities are represented in the SBIR Program through the following Topic Areas: Forests and Related Resources; Plant Production and Protection - Biology; Plant Production and Protection - Engineering; Animal Production and Protection; Air, Water, and Soil; Food Science and Nutrition; Rural and Community Development; Aquaculture; Industrial Applications; Marketing and Trade; Wildlife; and Animal Waste Management.

Phase I feasibility studies funded up to \$80,000 per project for 8 months may be followed by Phase II research and development projects for up to \$325,000 per project for 24 months. Some examples of SBIR Phase II projects from FYs 2002 and 2003 that relate to small farmers and ranchers include:

- A grant to Rainbow Organic Farms Company in Bronson, Kansas, to develop a certified quality system for small poultry marketing groups;
- A grant to Future Segue in Las Cruces, New Mexico, to develop a solar-powered virtual fencing system using GPS technology to control the movements of free ranging animals;
- A grant to Land EKG, Inc., in Bozeman, Montana, to develop a computerized rangeland information system that can benefit ranchers who make use of rangeland resources in the west;
- A grant to Sleepy Hollow Farm in Dalton, Georgia, to establish a viable organic goldenseal production system for small family farms;
- A grant to Scotch Hill Farms in Brodhead, Wisconsin, to develop a sustainable farmstead soap production system that is based on the use of goats milk; and
- A grant to Kini Po-Po Creations, Inc., in Hilo, Hawaii, to develop marketing strategies that will sustain an organic Hawaiian herbal tea industry.

■ **CSREES Small Farm Program Page on Newly Redesigned CSREES Web site:** The CSREES Small Farms Program site, along with 58 other programs within CSREES, will receive a face lift when the Web site is redesigned in 2004 to have a more user friendly look and feel. The new agency site, [www.csrees.usda.gov](http://www.csrees.usda.gov), will be launched on April 15, 2004. The CSREES Small Farm Program page on the CSREES Web site provides helpful information for small farmers, ranchers, and specialists who work with the small farm community.



Information is intended to help small farmers increase the economic viability of their small farm operations. The Small Farm Program page includes a toll-free information line (1-800-583-3071) which provides fast access for farmers and ranchers to CSREES small farm experts, a directory of State Small Farm Coordinators who offer assistance in programs and services to small producers, *Small Farm Digest* newsletter issues which offer direct marketing advice and information on special topics of interest to small farmers, funding sources for which small producers are eligible to apply, and other small farm links.

### ■ **3<sup>rd</sup> National Small Farm Conference Held in 2002 Focused on Helping Small Farmers:**

From September 17-20, 2002, nearly 700 participants from the public and private sectors, including community-based organizations, the Land-Grant University System, small-scale farmers and ranchers, convened in Albuquerque, New Mexico, to participate in the 3<sup>rd</sup> National Small Farm Conference.

The conference was focused on building partnerships to strengthen small farms and ranches. Special presentations and break out sessions included the importance of small family farms to agriculture and American communities; building collaborations at the Federal, State, and local government levels and connecting private and public organizations to build regional support for small farmers and ranchers; coping with farm stress; identifying research and extension priorities; beginning farmer programs; grant-writing for farmers; risk management; and sharing program successes across the Nation which offer the potential to be replicable models for other areas of the country. Participants did on-site visits to a diversity of small farm and ranch enterprises in New Mexico.

## **USDA National Office of Outreach**

### **Environmental Justice at the Department of Agriculture**

■ In accordance with Title VI of the Civil Rights Act of 1964, each Federal agency shall ensure that all programs or activities receiving Federal financial assistance that affect human health of the environment do not directly, or through contractual or other arrangements, use criteria, methods, or practices that discriminate on the basis of race, color, or national origin.

Each Federal agency shall analyze the environmental effects, including human health, economic and social effects, of Federal actions including effects on minority communities and low-income communities, when the National Environmental Policy Act of 1969 requires such analysis.

■ Executive Order 12898 on “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations” is designed to focus Federal attention on the environmental and human health conditions in minority and low-income communities. The Order promotes nondiscrimination in Federal programs substantially affecting human health and provides community access to public information on, and an opportunity for public participation



in, matters relating to human health or the environment. The USDA Environmental Justice program has developed an Environmental Justice Strategy and a Departmental Regulation to guide its Environmental Justice Program.

■ The National Environmental Justice Advisory Council (NEJAC) is the national advisory committee for the formulation of recommendations and independent advice on environmental justice. NEJAC utilizes the effective strengths and responsibilities of business, industry, State, local governments, tribal and indigenous organizations, academia, environmental organizations, grass root groups, and others involved in environmental justice matters.

■ The Interagency Working Group (IWG), comprised of 19 Federal Agencies, and mandated by Executive Order, focuses on building dynamic and proactive partnerships that access the initiatives and resources of Federal agencies to improve the quality of life of minority and low-income communities suffering disproportionate environmental impacts.

The IWG works to implement USDA's Environmental Justice Program in accordance with the Executive Order by providing guidance to Federal agencies on criteria for identifying disproportionately high and adverse human health or environmental effects on these populations. This group works under the guidelines of USDA's Environmental Justice Strategy in order to ensure that the administration's interpretation and endorsement of programs, activities, and policies are undertaken in a consistent manner.

Federal agencies have committed to a collaborative approach in order to support projects contributed by the IGA's Environmental Justice Action Plan. The Environmental Protection Agency's (EPA), Office of Environmental Justice, in coordination with the Federal IWG has developed an Environmental Justice Collaborative Problem-Solving Model. Federal agencies utilizing this methodology have participated in the peer review panel for the selection of 15 Environmental Justice Revitalization projects. USDA is currently serving on the Revitalization Task Force for the selected projects.

### **USDA Environmental Justice initiatives have included the following initiatives:**

■ Peer Review Panels for EPA's State and Tribal Environmental Justice Grants.

■ Neutral Peer Review Panel for USDA's Office of Hazardous Waste, Hazardous Materials Management Appropriation Initiative. This initiative designates the dispersal of \$15 million over a 10-year period, specifically refocusing on increased performance and accountability.

■ Peer Review Panel for EPA's Brownfield Program, which empowers States, communities, and other stakeholders in economic development to work together to prevent, assess, safely cleanup, and reuse Brownfields in a sustainable approach to the environment. Grants have been awarded at \$75 million for this fiscal year.

■ Collaboration with the Departments of Energy, Transportation, Interior, Health and Human Services, and the Federal Emergency Management Agency in rebuilding the town of Princeville,



North Carolina. This city was devastated by the destruction of Hurricane Floyd. USDA currently has an IPA assigned to Princeville to assist the City Planner and the Mayor in its reconstruction efforts.

- ReGenesis, Inc., Spartanburg, South Carolina. Received cleanup grants for \$100,00 for hazardous substances and \$100,000 for petroleum remediation from EPA.
- National Conference for Black Mayors Technology Development Initiative. This project addresses the digital divide by making computers more accessible to small town mayors.
- Conference on the Texas /Mexican Border Coalition. The purpose of the organization is to insure survival of the smaller rural communities and to provide leadership in education, ecotourism, wildlife management, livestock, deer-herd operations and risk management.
- Natural Resource Conservation Service, Everglades Restoration Project Advisory Task Force. A South Florida Management District Taskforce was formed to advise the Everglades Restoration Commission on impacts related to environmental justice.
- Briefings on the 2002 Farm Bill on USDA's Programs and Services. The briefings were designed to highlight changes and new provisions in the 2002 Farm Bill and to acquaint USDA customers with a wide array of Agency offerings and to enable USDA to interact with a broad spectrum of customers, including small farmers, growers, landowners, municipalities, community-based organizations, and under-served customers, particularly minorities and women.
- USDA and Homeland Security presentations at the Blacks in Government Conference White House Initiatives on Historically Black Colleges and Universities to strengthen the capacity of Historically Black Colleges and Universities to excellence in education.
- White House Initiatives on Asian Americans and Asian Pacific Islanders to increase opportunities for and improve the quality of life for Asian Americans and Pacific Islanders living in the United States and the U.S. and Pacific Island jurisdictions.
- Congressional Black Caucus on Environmental Justice and Health Braintrust. The focus of this National Environmental Policy Commission is to protect human health and safety, promote a clean and safe environment, assure environmental justice, and encourage environmentally sound economic development.
- Funding for the Metro Lead Collaborative Capacity Building, Community Development Program for East Saint Louis, Illinois.
- Interagency Working Group Collaborative Initiative on Environmental Justice and Minority Health Conference led by the National Institutes of Health.
- Navajo Nations/USDA Consultations on USDA and Navajo Nations issues relative to infrastructure development, outdoor recreation community resource development, and preservation of scenic resources.



## Natural Resources Conservation Service

■ NRCS National Headquarters published a guide that helps producers identify alternative income-producing agricultural enterprises and agritourism opportunities. *Taking the First Step* was developed to help farmers and ranchers through the assessment of their natural, family, and community resources to prepare for the “next step” of developing a business and marketing plan for new enterprises. The guide was published in response to requests from farmers, ranchers, and agricultural advisors.

## OKLAHOMA

■ In February 2003, NRCS officials sponsored a conference in Oklahoma City for more than 1,500 small farmers, Tribes, limited resource farmers, and historically underserved producers to provide information on the 2002 Farm Bill. Attendance was so great that a second conference was held to accommodate the overflow.

## PENNSYLVANIA

■ NRCS officials initiated the Mobile Office Pilot to increase customer service for small and limited resource farmers. Eleven field employees have been equipped with laptop computers, mobile printers, mobile desks, Geographic Positioning Systems, and digital cameras to more efficiently deliver conservation planning products. Employees include five soil conservationists, three grazing specialists, two biologists, and an engineer.

## Rural Development

### Business and Cooperative Programs

■ See Figure 3 below for FYs 2002 and 2003 funding levels for small farm, minority, and beginning farmers.

Figure 3

### Rural Development Support for Small, Minority, and Beginning Farmers

	<u>FY 2002</u>	<u>FY 2003</u>
■ Business Programs	\$18,315,006	\$17,790,981
■ Business and Industrial Guaranteed Loans	\$13,792,450	\$12,951,000
■ Intermediary Re-lending Program	- - -	- - -
■ Rural Business Enterprise Grants	\$1,544,186	\$1,501,771
■ Rural Business Opportunity Grants	\$238,370	\$183,550
■ Rural Economic Development Loans and Grants	- - -	- - -
■ Cooperative Services Programs	\$1,370,000	\$1,587,330
■ Rural Cooperative Development Grants	\$1,190,000	\$940,000
■ Value-Added Producer Grants	- - -	\$627,330
■ Cooperative Services Technical Assistance	\$180,000	\$20,000



- In FYs 1999 and 2000, 34 Rural Development State offices met or exceeded priority funding goals set for small and minority farm operators.

### **Small Farms Initiatives**

- Rural Development recruited and hired two specialists: one to focus on the needs of Native American and Alaska Native producers, ranchers and others; and one fluent in Spanish to focus on the needs of Hispanic, limited-resource producers, ranchers, or other business owners.
- Rural Development is active in outreach efforts to create awareness about the cooperative development assistance available to Native Americans.
- Cooperative staffs are active partners on the Federal Interagency Partnership for Southwest Border Colonias and the Migrant Farm worker Task Force.



## XII. Appendix 1 — USDA Mission Areas\*

Mission Areas	Mission Statements
<b>1. Farm and Foreign Agricultural Services (FFAS)</b>	<p>The FFAS “helps to keep America’s farmers and ranchers in business as they face the uncertainties of weather and markets. They deliver commodity, credit, conservation, disaster, and emergency assistance programs that help improve the stability and strength of the agricultural economy. “ The FFAS is comprised of the following agencies:</p> <ul style="list-style-type: none"><li>• <u>Farm Service Agency (FSA)</u></li><li>• <u>Foreign Agricultural Service (FAS)</u></li><li>• <u>Risk Management Agency (RMA)</u></li></ul>
<b>2. Food, Nutrition and Consumer Services (FNCS)</b>	<p>The FNCS works to harness the Nation’s agricultural abundance to end hunger and improve health in the United States. The following FNCS agencies administer federal domestic nutrition assistance programs while the Center for Nutrition Policy and Promotion also links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education.</p> <ul style="list-style-type: none"><li>• <u>Center for Nutrition Policy and Promotion (CNPP)</u></li><li>• <u>Food and Nutrition Service (FNS)</u></li></ul>
<b>3. Food Safety (FSIS)</b>	<p>FSIS ensures that the Nation’s commercial supply of meat, poultry, and egg products is safe, wholesome, and properly labeled, and packaged. This mission area also plays a key role in the President’s Council on Food Safety and has been instrumental in coordinating a national food safety strategic plan among various partner agencies including the Department of Health and Human Services and the Environmental Protection Agency.</p> <ul style="list-style-type: none"><li>• <u>Food Safety and Inspection Service (FSIS)</u></li></ul>
<b>4. Marketing and Regulatory Programs (MRP)</b>	<p>Marketing and Regulatory Programs facilitates domestic and international marketing of U.S. agricultural products and ensures the health and care of animals and plants. The following MRP agencies are active participants in setting national and international standards.</p> <ul style="list-style-type: none"><li>• <u>Agricultural Marketing Service (AMS)</u></li><li>• <u>Animal and Plant Health Inspection Service (APHIS)</u></li><li>• <u>Grain Inspection, Packers, and Stockyards Administration (GIPSA)</u></li></ul>



### 5. Natural Resources and Environment (NRE)

The NRE ensures the health of the land through sustainable management. Its agencies work to prevent damage to natural resources and the environment, restore the resource base, and promote good land management.

- Forest Service (FS)
- Natural Resources Conservation Service (NRCS)

### 6. Research, Education and Economics (REE)

Research, Education and Economics is dedicated to the creation of a safe, sustainable, competitive U.S. food and fiber system, as well as strong communities, families, and youth through integrated research, analysis, and education.

- Agricultural Research Service (ARS)
- Cooperative State Research, Education, and Extension Service (CSREES)
- Economic Research Service (ERS)
- National Agricultural Library (NAL)
- National Agricultural Statistics Service (NASS)

### 7. Rural Development (RD)

Rural Development is committed to helping improve the economy and quality of life in all of rural America by providing financial programs to support essential public facilities and services as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone service. Rural Development promotes economic development by providing loans to businesses through banks and community-managed lending pools, while also assisting communities to participate in community empowerment programs.

- Rural Development

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\*Note: All “USDA Agencies and Offices” maybe accessed through the USDA Web Site at: [www.usda.gov](http://www.usda.gov)



## XII. Appendix 2 — Acronyms /Abbreviations

**Table 1: USDA Agency-Acronyms**

<b>AMS</b>	Agricultural Marketing Service	<b>FS</b>	Forest Service
<b>APHIS</b>	Animal and Plant Health Inspection Service	<b>FSA</b>	Farm Service Agency
<b>ARS</b>	Agricultural Research Service	<b>FSIS</b>	Food Safety and Inspection Service
<b>CNPP</b>	Center for Nutrition Policy and Promotion	<b>GIPSA</b>	Grain Inspection, Packers and Stockyards Administration
<b>CR</b>	Office of Civil Rights	<b>MRP</b>	Marketing and Regulatory Programs
<b>CSREES</b>	Cooperative State Research, Education, and Extension Service	<b>NASS</b>	National Agricultural Statistics Service
<b>ERS</b>	Economic Research Service	<b>NRCS</b>	Natural Resources Conservation Service
<b>ERS/RED</b>	Resource Economic Division	<b>NRE</b>	Natural Resources and Environment
<b>FAC</b>	Food and Agriculture Council	<b>OBPA</b>	Office of Budget and Program Analysis
<b>FAS</b>	Foreign Agricultural Service	<b>RD</b>	Rural Development
<b>FFAS</b>	Farm and Foreign Agricultural Service	<b>SARE</b>	Sustainable Agriculture Research and Education
<b>FNCS</b>	Food, Nutrition, and Consumer Services	<b>USDA</b>	United States Department of Agriculture
<b>FNS</b>	Food and Nutrition Service		

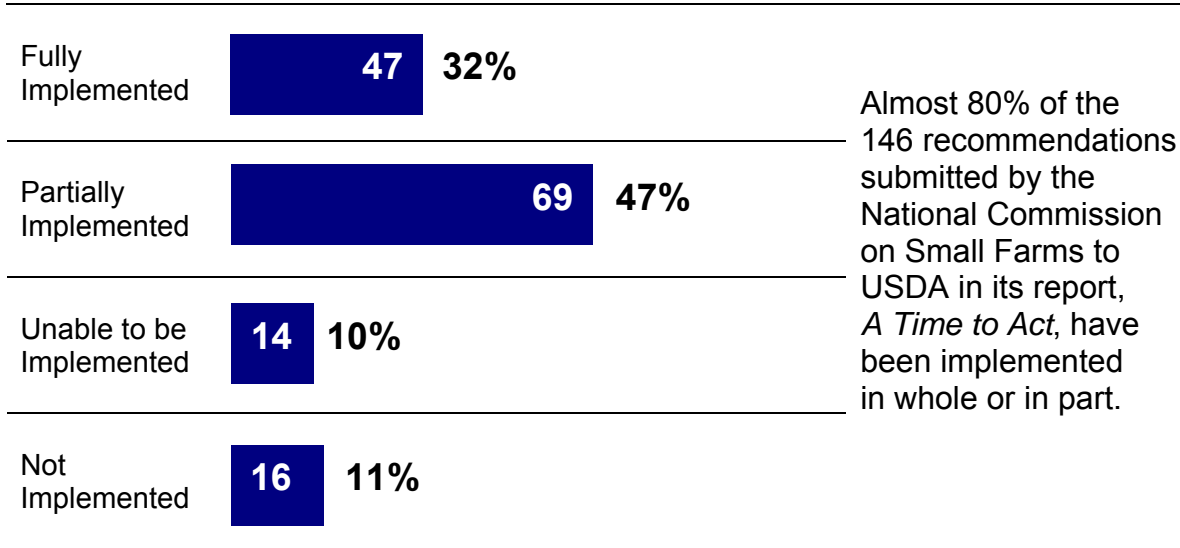
**Table 2: Other Acronyms /Abbreviations**

<b>AAFFI</b>	African American Family Farms, Inc.	<b>MCBDP</b>	Minority Community Business Development Partnership
<b>AGR</b>	Adjusted Gross Revenue	<b>MDA</b>	Maryland Department of Agriculture
<b>AGR-Lite</b>	Adjusted Gross Revenue-Lite	<b>MOU</b>	Memorandum of Understanding
<b>AIHEC</b>	American Indian Higher Education Consortium	<b>NASDA</b>	National Association of State Departments of Agriculture
<b>ARPA</b>	Agricultural Risk Protection Act	<b>NAFMNP</b>	National Association of Farmers' Market Nutrition Programs
<b>ATTRA</b>	Appropriate Technology Transfer for Rural Areas	<b>NAFTA</b>	North American Free Trade Agreement
<b>B&amp;I</b>	Business and Industry	<b>NAP</b>	Non-insured crop disaster assistance program
<b>BLS</b>	Bureau of Labor Statistics	<b>NCI</b>	National Cancer Institute
<b>BMP</b>	Best Management Practices	<b>NCRCRD</b>	North Central Regional Center for Rural Development
<b>CED</b>	County Executive Director	<b>NCSL</b>	National Conference of State Legislatures
<b>CFP</b>	Cooperative Forestry Programs	<b>NECFE</b>	Northeast Center for Food Entrepreneurship
<b>CFPCGP</b>	Community Food Projects Competitive Grants Program	<b>NMSDC</b>	National Minority Supply Development Council
<b>CRAT</b>	Civil Rights Action Team	<b>NNFA</b>	National Nutritional Foods Association
<b>CRC</b>	Crop Revenue Coverage	<b>NNPFL</b>	National Network of Private Forest Landowners
<b>CREP</b>	Conservation Reserve Enhancement Program	<b>NREDA</b>	National Rural Electric Development
<b>CRP</b>	Conservation Reserve Program	<b>NTDA</b>	National Tribal Development Association
<b>CSG</b>	Council of State Governments	<b>OOEA</b>	Office of Outreach and Exporter Assistance
<b>DOPP</b>	Dairy Option Pilot Program	<b>P&amp;S Act</b>	Packers and Stockyards Act
<b>EQIP</b>	Environmental Quality Incentives Program	<b>PNTR</b>	Permanent Normal Trade Relations
<b>ECP</b>	Emergency Conservation Program	<b>PNVGA</b>	Pacific Northwest Vegetable Growers Association
<b>EZ/EC</b>	Empowerment Zones and Enterprise Communities	<b>PRP</b>	Pasture Recovery Program
<b>FAC</b>	Federal Agriculture Council	<b>RC&amp;D</b>	Resource Conservation and Development
<b>FAC</b>	Food and Agricultural Council	<b>RME</b>	Risk Management Education
<b>FAIR</b>	Federal Agriculture Improvement and Reform Act	<b>SED</b>	State Executive Director
<b>FCS</b>	Farm Credit System	<b>SFAC</b>	Small Farms Advisory Council
<b>FICA</b>	Federal Insurance Compensation Act	<b>SAWG</b>	Southern Sustainable Agriculture Working
<b>FIP</b>	Forestry Incentives Program	<b>SWCD</b>	Soil and Water Conservation District
<b>FMNP</b>	Farmers Market Nutrition Program	<b>WAgN</b>	Women's Agricultural Network
<b>FSMIP</b>	Federal State Marketing Improvement	<b>WHIP</b>	Wildlife Habitat Incentives Program
<b>GLCI</b>	Grazing Lands Conservation Initiative	<b>WRP</b>	Wetlands Reserve Program
<b>IAC</b>	Intertribal Agricultural Council	<b>WTO</b>	World Trade Organization
<b>IFAS</b>	Initiative for Future Agriculture and Food		
<b>IRP</b>	Intermediary Relending Program		
<b>IRS</b>	Internal Revenue Service		



## XII. Appendix 3 — Figure 1: Bar Chart

**Figure 1**  
**Commission Recommendations Implemented by USDA**



### Status Code Table

Code	Status Category	Definition
1	Fully Implemented	The Commission's recommendation was fully implemented by Departmental policy, program action, legislative action, or with approved budgetary funding by Congress.
2	Partially Implemented	The Commission's recommendation was accepted by USDA or the U.S. Congress in whole or in part and the designated Mission Area/Agency is proceeding to implement the remainder of the action plan developed for the applicable recommendation.
3	Unable to be implemented	The Commission's recommendation was accepted by USDA in whole or in part, but it cannot or could not be implemented without legislative action or Congressional approval of budgetary funding requests.
4	Not Implemented	The Commission's recommendations was considered by USDA, but was not accepted or it was contingent upon the completion of another event.



## XII. Appendix 4 — Limited-Resource Farms Participation

**Figure 2**  
Comparison of Limited-Resource Farms to All Farming Types <sup>a/</sup>

	Small Family Farms					Large Family Farms	Very Large Family Farms	Non Family Farms	All Farms
	Limited Resource	Retire-ment	Residential Lifestyle	Farming Occupation					
				Low Sales	High Sales				
<b>Number</b>									
Total Farms	128,674	320,055	913,876	453,791	171,824	78,382	54,886	44,572	2,166,060
<b>Percent of U.S. Total</b>									
Farms	5.9	14.8	42.2	21	7.9	3.6	2.5	2.1	100
CRP and WRP Payment	3.7	22.1	23.5	18.4	12.4	11.3	3.5	5.1	100
Land Enrolled in CRP or WRP	4.3	18.2	21.1	20.0	14.2	13.8	3.6	4.8	100
<b>Percent of Group</b>									
Receive Gov. Payment <sup>b/</sup>	23.8	37.2	31.1	51.7	81.2	83.2	70.2	46.3	43
CRP and WRP	12.0	20.3	7.3	8.6	13.2	18.9	11.6	15.3 <sup>c/</sup>	10.9
<b>Percent of Land Operated</b>									
Land Enrolled in CRP or WRP	NA <sup>a/</sup>	43.3	32.3	20.5	12.4	10.2 <sup>c/</sup>	4.7	10.5 <sup>d/</sup>	17.1
<b>Dollars Per Participating Firm</b>									
Total Gov. Payment <sup>b/</sup>	3,767	3,980	5,373	9,500	28,897	57,430	85,345	32,788	17,258
CRP and WRP	2,862	4,101	4,243	5,671	6,588	9,183	6,529	8,915	5,078

**Source:** USDA, ERS, based on 2000 Agricultural Resource Management Survey data.

Notes:

a/ "NA" indicates that data has been suppressed due to insufficient observations.

b/ Includes EQIP, not shown separately. \*\*\*

c/ The standard error exceeds 25 percent of the estimate, but it is no more than 50 percent of the estimate. \*

d/ The standard error exceeds 50 percent of the estimate, but it is no more than 75 percent of the estimate. \*\*



## XII. Appendix 5 — USDA Web sites by Mission Area

### 1. Farm & Foreign Agricultural Service

■ Farm Service Agency (FSA) Home	<a href="http://www.fsa.usda.gov/pas/default.asp">www.fsa.usda.gov/pas/default.asp</a>
-- Farm Loans	<a href="http://www.fsa.usda.gov/dafl/default.htm">www.fsa.usda.gov/dafl/default.htm</a>
-- Crop and Natural Disaster Assistance	<a href="http://www.fsa.usda.gov/pas/disaster/assistance1.htm">www.fsa.usda.gov/pas/disaster/assistance1.htm</a>
-- Conservation Reserve Programs	<a href="http://www.fsa.usda.gov/dafp/cepd/crpinfo.htm">www.fsa.usda.gov/dafp/cepd/crpinfo.htm</a>
■ Foreign Agricultural Service (FSA) Home	<a href="http://www.fas.usda.gov/">www.fas.usda.gov/</a>
■ Risk Management Agency (RMA) Home	<a href="http://www.rma.usda.gov/">www.rma.usda.gov/</a>
-- Crop Insurance Policy	<a href="http://www.rma.usda.gov/policies/">www.rma.usda.gov/policies/</a>

### 2. Food Nutrition & Consumer Service

■ Food & Nutrition Service Home	<a href="http://www.fns.usda.gov/fns/">www.fns.usda.gov/fns/</a>
-- Food Stamp Program	<a href="http://www.fns.usda.gov/fsp/">www.fns.usda.gov/fsp/</a>
-- Food Distribution Programs	<a href="http://www.fns.usda.gov/fdd/">www.fns.usda.gov/fdd/</a>
-- Child Nutrition Programs	<a href="http://www.fns.usda.gov/cnd/">www.fns.usda.gov/cnd/</a>
-- Community Food Security	<a href="http://www.fns.usda.gov/fsec/">www.fns.usda.gov/fsec/</a>
-- Women, Infants & Children (WIC) Farmers' Nutrition Market Program	<a href="http://www.fns.usda.gov/wic/FMNP/FMNPfaqs.htm#1">www.fns.usda.gov/wic/FMNP/FMNPfaqs.htm#1</a>
-- Seniors Farmers' Market Nutrition Program	<a href="http://www.fns.usda.gov/wic/SeniorFMNP/SFMNPmenu.htm">www.fns.usda.gov/wic/SeniorFMNP/SFMNPmenu.htm</a>

### 3. Food Safety

■ Food Safety & Inspection Service (FSIS)	<a href="http://www.fsis.usda.gov/">www.fsis.usda.gov/</a>
-- Meat and Poultry Recalls	<a href="http://www.fsis.usda.gov/FSIS_Recalls/index.asp">www.fsis.usda.gov/FSIS_Recalls/index.asp</a>
-- Consumer Education & Consumer Info	<a href="http://www.fsis.usda.gov/Food_Safety_Education/index.asp/">www.fsis.usda.gov/Food_Safety_Education/index.asp/</a>

### 4. Natural Resources & Environment

■ Forest Service (FS) Home	<a href="http://www.fs.fed.us/">www.fs.fed.us/</a>
-- National Forest System	<a href="http://www.fs.fed.us/links/forests.html">www.fs.fed.us/links/forests.html</a>
-- Forest Fires & Aviation	<a href="http://www.fs.fed.us/fire/reports.shtml">www.fs.fed.us/fire/reports.shtml</a>
-- National Forest Timber Harvest	<a href="http://www.fs.fed.us/land/fm/salefact/salefact.htm">www.fs.fed.us/land/fm/salefact/salefact.htm</a>
■ Natural Resources Conservation Service (NRCS) Home	<a href="http://www.nrcs.usda.gov/">www.nrcs.usda.gov/</a>
-- Animal Feeding Operations	<a href="http://www.nrcs.usda.gov/programs/afo/">www.nrcs.usda.gov/programs/afo/</a>
-- Wetlands Reserve Programs	<a href="http://www.nrcs.usda.gov/programs/wrp/">www.nrcs.usda.gov/programs/wrp/</a>
-- National Resources Inventory	<a href="http://www.nrcs.usda.gov/technical/NRI/">www.nrcs.usda.gov/technical/NRI/</a>



## 5. Marketing & Regulatory Programs

- Agricultural Marketing Service (AMS) [www.usda.gov/mrp/](http://www.usda.gov/mrp/)
- AMS Farmers Market [www.ams.usda.gov/farmersmarkets/](http://www.ams.usda.gov/farmersmarkets/)
  - Dairy Programs [www.ams.usda.gov/dairy/index.htm](http://www.ams.usda.gov/dairy/index.htm)
  - Food Purchase Resources [www.ams.usda.gov/cp/resources.htm](http://www.ams.usda.gov/cp/resources.htm)
  - National Organic Programs [www.ams.usda.gov/nop/](http://www.ams.usda.gov/nop/)
- Animal & Plant Health Inspection Service (APHIS) [www.aphis.usda.gov/](http://www.aphis.usda.gov/)
- Agricultural Biotechnology [www.aphis.usda.gov/biotech/](http://www.aphis.usda.gov/biotech/)
  - Animal Health [www.aphis.usda.gov/vs/](http://www.aphis.usda.gov/vs/)
- Grain, Inspection, Packers & Stockyards -- Administration (GIPSA) [www.usda.gov/gipsa/](http://www.usda.gov/gipsa/)
- The Western Organization Resource Councils (WORC) Petition for Rulemaking [www.usda.gov/gipsa/worc\\_petition/worc.htm](http://www.usda.gov/gipsa/worc_petition/worc.htm)

## 6. Research, Education & Economics

- Agricultural Research Service (ARS) [www.reeusda.gov/ree/](http://www.reeusda.gov/ree/)
- ARS National Programs [www.ars.usda.gov/](http://www.ars.usda.gov/)
  - National Agricultural Library (NAL) [www.nps.ars.usda.gov/](http://www.nps.ars.usda.gov/)
  - National Agricultural Library (NAL) [www.nalusda.gov/](http://www.nalusda.gov/)
- Cooperative State Research, Education & Extension Service (CSREES) [www.csrees.usda.gov/](http://www.csrees.usda.gov/)
- CSREES Small Farms Program [www.csrees.usda.gov/smallfarms.html](http://www.csrees.usda.gov/smallfarms.html)
  - CSREES Funding/Grant Opportunities [www.csrees.usda.gov/fo/funding.cfm](http://www.csrees.usda.gov/fo/funding.cfm)
- Economic Research Service (ERS) [www.ers.usda.gov/](http://www.ers.usda.gov/)
- Farm Financial & Risk Management [www.ers.usda.gov/Topics/View.asp?T=101800](http://www.ers.usda.gov/Topics/View.asp?T=101800)
  - Farm Structure, Income & Performance [www.ers.usda.gov/Topics/View.asp?T=102200](http://www.ers.usda.gov/Topics/View.asp?T=102200)
  - Food Market Structures [www.ers.usda.gov/Topics/View.asp?T=102400](http://www.ers.usda.gov/Topics/View.asp?T=102400)
- National Agricultural Statistics Service (NASS) [www.usda.gov/nass](http://www.usda.gov/nass)
- Census of Agriculture Data [www.nass.usda.gov/census/](http://www.nass.usda.gov/census/)
  - NASS Agricultural Statistical Database [www.nass.usda.gov/Data\\_and\\_Statistics/index.asp](http://www.nass.usda.gov/Data_and_Statistics/index.asp)
  - Statistical Information & Reports [www.usda.gov/nass/](http://www.usda.gov/nass/)

## 7. Rural Development

- Rural Development Home [www.rurdev.usda.gov/](http://www.rurdev.usda.gov/)
- Distance Learning & Telemedicine Program [www.usda.gov/rus/telecom/dlt/dlt.htm](http://www.usda.gov/rus/telecom/dlt/dlt.htm)
  - Electric Program [www.usda.gov/rus/electric/index.htm](http://www.usda.gov/rus/electric/index.htm)
  - Loan & Grant Programs [www.rurdev.usda.gov/rbs/busp/bprogs.htm](http://www.rurdev.usda.gov/rbs/busp/bprogs.htm)
  - Community Development Program [www.rurdev.usda.gov/ocd/index.html](http://www.rurdev.usda.gov/ocd/index.html)
  - Cooperative Services Program [www.rurdev.usda.gov/rbs/coops/cmdir.htm](http://www.rurdev.usda.gov/rbs/coops/cmdir.htm)
  - Rural Community Housing Programs [www.rurdev.usda.gov/rhs/common/indiv\\_intro.htm](http://www.rurdev.usda.gov/rhs/common/indiv_intro.htm)
  - Rural Empowerment Zones & Enterprise Communities (EZ/EC) Program [www.ezec.gov/](http://www.ezec.gov/)
  - Telecommunications Program [www.usda.gov/rus/telecom/](http://www.usda.gov/rus/telecom/)
  - Water & Environmental Programs [www.usda.gov/rus/water/index.htm](http://www.usda.gov/rus/water/index.htm)



# Acknowledgments

## USDA's Small Farms Coordinators

**Alfonzo Drain, Director**

### USDA Small Farms Coordination

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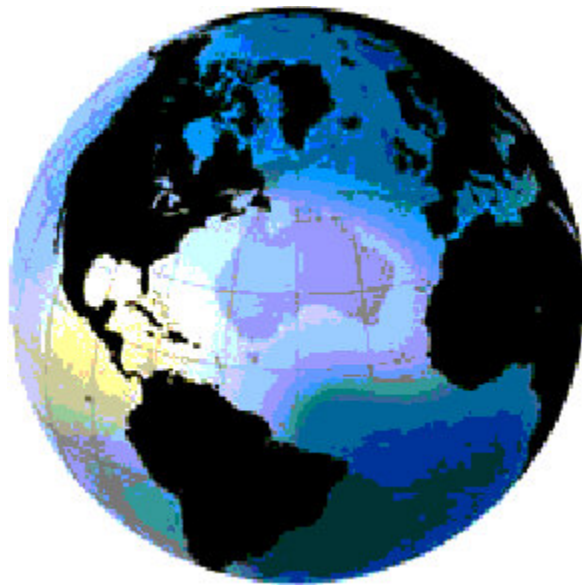
Karl Hampton	FFAS/FAS	McKinley Posely	NRE/NRCS
Patricia Perkins	FFAS/FAS	Jim Staiert	OBPA
Jorge O. Comas	FFAS/FSA	Rhonda Davis	Office of Civil Rights
Mark Falcone	FFAS/FSA	Winona Lake Scott	Office of Civil Rights
Mike Hinton	FFAS/FSA	Kathryn Hill	Office of Communications
Sharon Hestvik	FFAS/RMA	Wayne Baggett	Office of Communications, REE
Amy Gundy	FNCS/FNS	Tami Trost	Office of the General Counsel (OGC)
Ron Johnson	FNCS/FNS	Shirley E. Brown	Office of the Chief Economist (OCE)
Stacey Sheffey	FNCS/FNS	Dan Schofer	RD
Eric Hemphill	FS/FSIS	Edgar L. Lewis	RD
Harry Lee Walker	FS/FSIS	Alicia Simon	REE/CSREES
Denny Johnson	MRP/AMS	Denis A. Ebodaghe	REE/CSREES
Arnold S. Foudin	MRP/APHIS	Stephanie Koziski	REE/CSREES
Shannon Hamm	MRP/APHIS	Evert Byington	REE/ARS
Greg Hawkins	MRP/GIPSA	Bob Hoppe	REE/ERS
John D. Edmond,	MRP/GIPSA	Doris Newton	REE/ERS
Cheryl Bailey	NRE/FS	Jim MacDonald	REE/ERS
Hal E. Brockman	NRE/FS	Dennis Murray, Jr.	SF Coordination
Rita Stevens	NRE/FS	Kay Basu	SF Coordination
Adolfo Perez	NRE/NRCS	Sharon L. Williams	SF Coordination

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# **Making A Difference for America's Small Farmers and Ranchers in the 21<sup>st</sup> Century**

## **USDA Small Farms Web Site**



**[www.usda.gov/oce/smallfarm/](http://www.usda.gov/oce/smallfarm/)**